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"DEVELOPMENT PROGRAMMES FOR THE URBAN POOR : SOME ISSUES"

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## DEVELOPMENT PROGRAMMES FOR THE URBAN POOR - SOME ISSUES

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In the early stages of post-Independence period, the emphasis was laid in our Five Year Plans on the attainment of a high rate of growth in the economy in which objectives of redistributive justice and welfare of the poor received marginal weightage. It was in the late sixties that removal of poverty became one of the explicit objectives of our plans. But this effort was brought in through ad hoc decisions at different levels. It was in the Fifth Five Year Plan that a formal attempt was made to incorporate the objective of poverty eradication in the structure of plan formulation. In the Sixth and the Seventh Plans the objectives of horizontal and vertical equity were given high weightage and special projects were designed to provide for the urban poor a reasonable level of living and basic necessities of life.

### URBANISATION AND URBAN GROWTH

The trend of urbanisation shows a number of socio-economic as well as ecological problems in urban areas. The result of 1981 Census indicates that the urbanisation of India is about 160 million. Although this number is only 23.53 per cent of the total population, the absolute magnitude is a matter of deep concern. The problem of urbanisation is further aggravated when we find more than 60 per cent of the urban population dwelling in cities with one lakh or more persons. Besides, cities with five lakh or more population are registering a faster growth rate as compared to other categories of towns. This lop-sided

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urban development creates enclaves of population explosion in few cities which, in turn, first makes the urban land a scarce commodity due to increasing 'land-man' ratio and secondly, tries to push the slum and squatter dwellers at the outskirts of the city. Thirdly, lot of pressure mounts up on the existing services like drinking water, housing, sanitation, transport, etc., so much so that the urban poor is virtually priced out of their reach.

The urbanisation process particularly marked in the 1971-81 decade, has received the share of urban population from 16.7 per cent in 1951 to 23.53 per cent in 1981. If the present trend of urban-rural growth differential of 2 per cent per annum continues, the share of urban population would rise to a little over 31 per cent in 2001 AD. This implies that though the majority of population would continue to be rural, the increments to the urban population would be nearly half the increment to the total population. Over the next two decades a little under eight million people would be added to the urban population every year.

It has been pointed out by several researchers that the present urban crisis is linked with the agrarian crisis in the countryside and the vast majority of urban poor is no other than the rural poor who were no longer able to eke out a meagre subsistence in the village. A study of four squatter settlements in Delhi indicated that 81 per cent of the respondents had left the village because they could not earn a living there.<sup>1</sup> The availability of a wide range of opportunities in the expanding informal sector in cities attracts the poor and distressed migrants from the countryside as well as small and medium towns to seek their

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1. V. Nath, "Urbanisation in India - Review and Prospect," Economic & Political Weekly, Vol.21, No.8, 1986, p.340.

livelihood in these cities. In fact, the poverty in urban areas is a spillover effect of rural poverty and a direct attack on rural poverty ultimately solves the problem of urban poor also.

#### URBAN POOR AND THE POVERTY SCENARIO

On the basis of a daily nutritional requirement of 2,400 calories per person for rural areas and 2,100 calories per person in urban areas, the Sixth Five Year Plan (1980-85) has defined the poverty line in terms of 1979-80 prices as per capita monthly expenditure of Rs.75 for rural areas and Rs.88 for urban areas. Hence, persons whose monthly expenditure is Rs.88 or less are considered to be below the poverty line in urban areas.

The first and foremost query that arises in the mind before undertaking any development programme for the urban poor is: Who are they? The next question is about the factors which create urban poverty. The urban poor are migrants from rural areas due to economic reasons that enforce them to join the informal sector in urban centres due to illiteracy and lack of any specific skill. The informal sector provides low wages and they live in places known as slums, squatters and pavements which are devoid of proper sanitation, water, nutrition, etc.

The urban poor are fully engaged in the market system as wage labourers, self-employed entrepreneurs and unpaid workers where nearly two-thirds of them earn income below the poverty line. The self-employed workers are petty shopkeepers, hawkers, vendors, milk men, etc., who perform essential functions of the urban economy but without adequate remunerations. They suffer from a feeling of insecurity and alienation and easily fall prey to different vices of urban life. Their desire to earn quick money makes them vulnerable to unscrupulous chieftains and under-world lords.

A geographical distribution of urban poverty cannot be seen in its true perspective due to sketchy data available on the subject. According to Sivaramakrishna's study<sup>2</sup>: 63 per cent of the people live in Calcutta Metropolis with an income of Rs.300 per household. Of them 46 per cent have income of less than Rs.200 per month. In Madras Wiebe<sup>3</sup> found that 80 per cent of the people living in a slum were below the poverty line while in the squatter settlements of Delhi, Majumdar<sup>4</sup> found that 71 per cent of the households had monthly income of Rs.250 or below, the average income of the household being Rs.237 although there were 1.6 earners in each household. In another study of squatter settlements in Delhi, Menepee Singh<sup>5</sup> found that the average monthly income of employed women was only Rs.76 compared to Rs.192 for men. Over 90 per cent of these women stated that they were working to provide for the minimal needs of the families. Notwithstanding this low income figures and a high magnitude of urban poverty, it has been found that in view of migrants in squatter settlements their standard of living has improved as compared to their previous situation in the rural areas.

It seems that the low rate of earnings by the poor migrants and the perpetuation of urban poverty are mainly due to their confinement for livelihood in the informal sector. The study of urban informal sector in Ahmedabad by

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2. K.C. Sivaramkrishnan, "The Slum Improvement Programme in Calcutta. The Role of the CMDA", in Alfred de Souza (ed.) The Indian City-Poverty, Ecology & Urban Development, Manohar, New Delhi, 1983, pp.145-170.
  3. Paul D. Wiebe, "Interdependence not Quality Slum Perspectives", in Alfred de Souza (ed.), op.cit., 1983 pp.17-28.
  4. T.K. Majumdar, "The Urban Poor and Social Change: A Study of Squatter Settlements in Delhi", in Alfred de Souza (ed.) op.cit., pp.29-60.
  5. Andrea Menepee Singh, "Women and the Family: Coping with Poverty in the Bastis of Delhi" in Alfred de Souza (ed.) op.cit., pp.61-94.

Papola<sup>6</sup> indicates that around 47 per cent of the city's population are employed in informal activities. In a recent study of Delhi squatter settlements by the Town & Country Planning Organisation it is found that over 80 per cent of the heads of households were involved in unskilled jobs in construction, manual and industrial labour. Both men and women migrants in squatter settlements are primarily employed in occupations which are held in low esteem and are poorly paid. They perform a wide range of services on which the urban economy depends. Although the services rendered by the informal sector workers require little skills they are as Majumdar<sup>7</sup> points out essential for the efficient functioning of the urban economy at its present stage of development and the use of technology. They can only be replaced at enormous cost to the urban economy. Also, 'expelling people from the city will not improve conditions in the city nor the condition of those expelled. On the contrary, the existing jobs and incomes depend on a labour market - reduce it by force, and you are in danger of damaging the condition of every one.'<sup>8</sup>

In this context, our planners have three options to check the in-migration to their cities. First is a long-term solution to go for regional development planning by creating satellite towns or growth centres in the hinterlands of metropolitan cities. Secondly, they can expand the city to

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6. T.S. Papola, Urban Informal Sector in a Developing Economy, New Delhi, Vikas, 1981.
  7. T.K. Majumdar, op.cit.
  8. Nigel Harris, "No Urban Explosion in India: False Alarm on Rural Exodus," The Hindustan Times, August 20, 1985.



accommodate more number of persons in it as has been suggested in the second Master Plan for Delhi. Thirdly, they can close their city gates to check the in-migration.

A time series analysis of the incidence of poverty in rural and urban areas reveals the absence of any statistically significant time trend over the period from 1956-57 to 1977-78 (rural) and from 1960-61 to 1977-78 (urban). The absolute number of poor, however, shows a trend increase of 4.35 million (2.43% per annum) for the urban sector.<sup>9</sup>

On the other hand, the Sixth Plan<sup>10</sup> calculated that 317 million persons were living below the poverty line. Out of them 57 million were residing in urban areas. In relative terms 50.7 per cent of the rural population and 40 per cent of the urban population were classified as 'the poor'. The Seventh Plan has revealed that in 1984-85, 273 m in rural areas and 51 m in urban areas were below the poverty line.<sup>11</sup> Further, the Seventh Plan envisages that by 1989-90, only 42 million persons in the urban area will remain below the poverty line accounting for 19 per cent of the total urban population. The Plan estimates the proportion of urban population below the poverty line as 10 per cent in 1994-95. If such a trend of poverty continues then hardly any urban poor will remain to be seen in 2001 A.D.

The Seventh Five Year Plan thus presents a very rosy picture of poverty alleviation in the country. But, how far this theoretical concept of poverty line helps measuring

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9. K. Sundaram and S.D. Tendulkar, "Anti-Poverty Programmes in India: An Assessment" in S. Mukhopadhyay (ed.), The Poor in Asia, Productivity Programmes and Strategies, Kuala Lumpur, APDC, 1985.
  10. Government of India, Sixth Five Year Plan, 1980-85, Planning Commission, New Delhi, 1981.
  11. Government of India, Seventh Five Year Plan, 1985-90, Planning Commission, New Delhi, 1985.

poverty in reality, is a big question to examine. Unfortunately, except the kind of information available from the literature reviewed in the earlier section, no base line data on poverty are available. Data on income distribution are also not generated in the country. The sketchy data on the subject, therefore, do not permit us to comment on the practicability of the poverty line.

As long as the urban poor remain attached to the informal sector there seems to be hardly any chance to eradicate poverty in this country. It is only through integrating the informal sector with the formal sector that productivity and earnings in the informal sector can be increased. The alternative course is to develop the formal sector at a faster rate so that after absorbing the urban poor it can increase their income level.

#### DEVELOPMENT PROGRAMMES FOR THE URBAN POOR

The structural change of any kind is, however, a difficult and time - consuming process. But efforts can certainly be made to develop the urban poor through the implementation of anti-poverty programmes. These programmes are confined to the areas of urban housing, environmental improvement of slum (including water supply, sewerage, paving of streets, storm water drains, community lavatories), minimum public health facilities integrated with family planning, integrated child development service, adult education and elementary education for children upto the age of 14 under the Minimum Needs Programme, Urban Basic Services Programme, centrally-sponsored scheme of Integrated Development of Small and Medium Towns (IDSMT) and a new programme for providing self-employment to the urban poor (SEPUP) in metropolitan, urban and semi-urban areas.

#### Urban Housing

Shelter for all by 2000 AD appears a massive challenge as India prepares to observe the International Year of Shelter for the Homeless (IYSH), 1987 with nearly 20 per cent

of the country's city dwellers living in squalid slums. The National Building Organisation estimated the housing shortage in 1981 as five million dwelling units in urban areas and the shortage at the beginning of the Seventh Five Year Plan has been placed at 5.9 million units.<sup>12</sup> The shortage in the urban areas by the turn of the century would be 9.3 million. Considering such a high magnitude of housing shortage and limited availability of capital, the role of government in the field of urban housing has remained mainly promotional. It has been restricted to the improvement of slums, direct provision of housing to the weaker sections of the society and encouragement and support of housing finance institutions that promote channelling of private resources into housing in a constructive way. During the on-going Seventh Plan, direct public sector investment has been proposed for housing the economically weaker sections (EWS) of the society. The public sector provides 'sites and services' at cost price to the beneficiaries. In addition, the beneficiaries are provided a loan of Rs.5000 per unit repayable over a period of 20-25 years at a concessional rate of interest. However, in view of the scarcity of developed urban land and the cost involved, it has been decided to limit the area of developed land to 25 to 35 sq m per house for the urban poor.

The major chunk of the public sector investment for urban housing has been channelized through Housing and Urban Development Corporation (HUDCO). Till March 1985, the HUDCO had sanctioned 3,587 schemes in 669 cities and towns covering almost all the states and involving loan assistance of about Rs.1,662 crore of which it had disbursed about Rs.992 crore.<sup>13</sup> According to the Seventh Plan, all these projects will provide

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12. Government of India, Seventh Five Year Plan 1985-90, Planning Commission, Vol.II, 1985, p.292.

13. Ibid., p.295.



about 20 lakh dwelling units and about 1.73 lakh developed plots and a number of shops and commercial buildings. Of these, about 88 per cent of the dwelling units and 79 per cent of plots are for the benefit of the EWS and lower income group (LIG). Besides, HUDCO, the Life Insurance Corporation (LIC) has been asked to invest 25 per cent of its net accretion to its controlled funds in socially-oriented schemes like housing, electrification, water supply, sewerage and road transport. However, keeping in view the special demands for housing investment, the establishment and subsidising of a new class of institutions seem to be inevitable. This would stimulate and mobilise savings from the household sector for housing investments.

It is a recognised fact that neither central nor the state governments can raise necessary finance to provide housing that conforms to the conventional building codes for all the urban poor. Further, although it is a fact that the allocation of funds for housing in the Five Year Plans were a mere pittance yet, more important than allocation of funds, is the failure of urban planners to encourage self-help housing by reforming existing housing standards so as to make them flexible and accessible for the urban poor. The tendency of Slum Clearance Boards and other building agencies has been to construct houses at a cost of Rs.8,000 to Rs.15,000 and to charge rents that are beyond the capacity of the urban poor. Thus, we have what Turner calls 'mismatches between personal priorities' of the poor and 'housing conditions' imposed by urban planners and governmental legislations. It is to be noted that in the schemes of HUDCO and LIC, so called "low cost" housing does not take into account the incomes of the urban poor. That is why in many cities of India such as Ahmedabad, Hyderabad, Calcutta etc., the housing programmes for the urban poor have failed to generate the desired effects. The only way is to construct houses for the urban poor according to their

affordability i.e., the idea of informal housing market. Although there are several difficulties in the realisation of this idea like high infrastructure cost, building bye-laws, insufficient land use pattern, insecurity of tenure, etc., which cannot be removed unless their solution is obtained within the framework of metropolitan planning. Perhaps, the construction of houses with mud is the only solution in this context. Another way is to raise the income of urban poor by generating employment opportunities for them in the formal sector. 'Urbanisation without industrialisation' is meaningless. Also, more provision of housing and other basic services for the urban poor without raising their incomes is just an eye-wash. If the income remains low, the slum dwellers would continue selling their plots or houses to others and would, thereafter, create another slum in the vicinity of the older one.

#### Environmental Improvement of Slums

The scheme for environmental improvement of slums was formulated as a result of the recognition that the policy of clearance and rehabilitation of slum dwellers had not been successful in the face of growing population.

The Task Force on Shelter for the Urban Poor and Slum Improvement<sup>14</sup> also recommended slum/squatter settlements as the product of poverty and social injustice and, therefore, recommended against slum clearance as a solution to the problem. In fact, since 1950 the Government has been launching several schemes to improve the conditions of slums in urban areas and also to rehabilitate slum-dwellers in a better social environment in government-sponsored resettlement colonies. However, as the programme of resettlement of

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14. Government of India, Task Forces on Housing and Urban Development, Shelter for the Urban Poor IV, Planning Commission, New Delhi, September, 1983.

squatter dwellers has not been successful in checking the growth and proliferation of squatter settlements in urban areas, the government decided to make substantially increased investments on the environmental improvement of slum areas. The Seventh Five Year Plan emphasises that the Environmental Improvement of the Slums (EIS) programme has to be continued with greater vigour and steps should be taken to provide security to tenure to the slum dwellers so that they may develop a stake in maintaining and improving their habitat.<sup>15</sup> Of the total urban population, nearly a-fifth has been estimated to constitute slum population. The Sixth Plan had estimated that in 1985 the number of such population needing attention would be about 33.1 million and as per the Sixth Plan target till March 1985 about 13.6 million slum dwellers would have been benefited leaving a balance of 17.5 million people yet to be provided relief under the EIS scheme. Per capita assistance which was only Rs.120 in 1972 has been stepped up from time-to-time and the present rate of Rs.250 was fixed in 1984. Since many state governments considered this quantum inadequate, it has been decided by the Seventh Five Year Plan to increase the per capita expenditure to Rs.300. The total outlay for EIS in state plan works out to Rs.269.55 crore for the Seventh Plan. On the basis of per capita expenditure of Rs.300 on drainage, sewerage, water supply, electricity, etc., this order of total outlay would benefit about nine million slum dwellers during the Seventh Plan.

Integrated Development of Small and Medium Towns (IDSMT):

The process of urbanisation in India indicates that Class I towns and big cities are growing at a faster rate at the cost of the small and medium towns. Further, these Class I towns and big cities are flooded with a large number

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15. Ibid., p.299.

of distressed migrants from the countryside and small urban centres resulting in proliferation of informal sector activities and poverty in urban areas. In order to ensure a balanced distribution of population and to slow down the growth of metropolises, a centrally-sponsored scheme of Integrated Development of Small and Medium Towns was introduced during the Sixth Plan to provide infrastructure and other facilities in these towns.<sup>16</sup> The Sixth Plan made a provision of Rs.96 crore in the Central Sector with a matching provision in the states' sector for the development of about 200 towns. During the Sixth Plan period, central releases amounted to about Rs.61 crore in respect of 235 towns. The Seventh Plan earmarks a central provision of Rs.88 crore to continue this scheme. During the Sixth Plan the scheme was applicable to small and medium towns having a population of less than one lakh whereas the Seventh Plan proposes to extend the coverage to towns having a population of less than three lakh. Although the above IDSMT programme is not aimed at development of the urban poor, it is believed that the successful implementation of the IDSMT programme will provide a relief to the rural destitutes and poor who have become a part of the urban poor over the years. Further, the development of small and medium towns with proper infrastructural development will generate more employment opportunities in the organised sector to lift the poor above the poverty line.

As a matter-of-fact, the designing of the IDSMT was done more to check the flow of in-migration into the Metropolitan cities rather than to have a balanced regional development. Unless the latter perspective is built into the programme, it can only meet limited success.

#### Urban Basic Services Programme:

In January 1985, the three UNICEF assisted urban programmes in India i.e, Urban Community Development (UCD), Small

16. Ibid., p.299.

and Medium Towns Development (SMTD) and Low-Cost Sanitation were brought under a single umbrella and called the Urban Basic Services (UBS) Programme. The programme aims at improving the quality of life of the urban poor, especially the women and children who are most vulnerable to disease, death and other dangers in the deprived slum conditions. It seeks to provide a broad spectrum of services such as:

- (i) Child care and other health services,
- (ii) Water and sanitation facilities,
- (iii) Community education and health education,
- (iv) Early learning opportunities for children i.e., pre-schools, creches, etc.; and
- (v) Income generating skills training for women.

The main purpose behind the programme is to assist the urban poor who are deprived of basic services such as water, health, education and income generating activities to raise their living standards. It is estimated that nearly 300,000 children living in urban slums die annually due to diarrhoea-dehydration. Nearly 50 per cent of infants death occurs on account of complications arising due to mal-nutrition and lack of sanitation and personal hygiene. A significant portion (27%) of urban children in the age group of 5 to 9 years does not attend any school. Apart from the inadequate basic services, the limited available services are inequitably distributed among the poor having little or no access to them. The UBS programme, in fact, has been designed to improve their awareness and access to these basic services so that the services could be more equitably shared and judiciously utilised.<sup>17</sup>

The UBS programme aims at to utilize a community based strategy to extend basic services to the poor.

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17. National Institute of Urban Affairs, The Urban Basic Services Programme - Outline for Briefing UBS functionaries, New Delhi, 1986 (Mimeo).



It believes that the participation of the urban poor communities in the basic services scheme along with the implementation authorities will reduce the existing lacuna and make this programme a success to uplift the poor in urban areas. The crux of the programme is to encourage communities and low income families to participate from the outset in identifying their needs, deciding priorities, planning the sequence of implementation and helping the authorities in evaluating progress.

Under this scheme, the district has been chosen as the spatial unit for the implementation of UBS. This has been done so with a belief that at the district level convergence of many development schemes can be better planned and more easily and effectively co-ordinated. How far the implementation of the programme is successful in the control of existing socio-economic structure in the district, is a question to examine.

The programme is to be extended in a phased manner to cover all towns and cities in the district with a priority on the fast developing urban centre coupled with the inadequate basic services for the weaker sections. It is a national programme that allows for the participation of Central Government, State Government and UNICEF. The cost of the programme will be shared between them in the proportion of 20, 40 and 40 respectively. Under this programme during the year 1986-76, 36 districts of 23 states and Union Territories have been selected for the provision of urban basic services.

The most important constraint on the services to the urban poor is financial - the economics of affordability and cost recovery, two dimensions of choice that help planners and architects to keep costs down and to produce affordable projects. In addition, cost recovery also helps to provide the funds needed to carry out programmes at a scale sufficient to meet the expanding demands. Affordability, cost recovery

and replicability are, in fact, interrelated and inter-dependent concepts both in theory and practice. Whereas affordability is the key to cost recovery, cost recovery is the key to replicability. In all the public sector programmes for the urban poor like sites and services, slum upgrading projects and UBS, the services are provided at a cost price. For extending the benefits of these programmes to a larger area, cost recovery is essential.

The success stories of cost recovery technique also encourage us to apply it in the case of UBS programmes. For example, in Hyderabad and Vishakhapatnam housing projects, though the land and the services are subsidized, at least the cost of the super-structure is recovered (and the loan recovery performance is astonishingly good) even though instalments are relatively high (Rs.45 to 50 per month). The cost recovery aspect of the Arumbakkam Sites and Services Project, Hyderabad and Vishakhapatnam Housing Activities and Calcutta Bustees Improvement Programme needs to be studied rather carefully as it holds the key to attracting further investment in this work. However, in some case, the recovery is likely to be poor and, therefore, measures like involvement of voluntary organisations may be thought of.

Self-Employment Programmes for Urban Poor (SEPUP):

The Government of India in the Ministry of Finance, have formulated, in consultation with the Reserve Bank of India, a programme for providing self-employment to the urban poor. The programme is being implemented since 15 August, 1986. The objective of the programme is to identify poor families living below the poverty line in urban areas to undertake self-employment ventures with the help of subsidy and bank credit.

Under the programme assistance upto Rs.5,000 depending on unit cost will be admissible to a beneficiary for

undertaking 33 listed activities such as rickshaw pulling, weaving, shoe-repairing, carpentry, pottery, book-binding, vegetable vending, blacksmithy, plumbing, tyre-retreading, tailoring, bidi rolling, milk vending, fish vending, paan-bidi shop, tea shop, welding, fabrication shop, etc., More than one person from the same family can be assisted under the programme subject to condition that the total assistance for the family does not exceed Rs. 5000. Where assistance is to be provided to more than one member in a family, it should be sanctioned for dissimilar activities and through one and the same branch of the financial institutions. Subsidy at the rate of 25 per cent of the total assistance will be provided by the government through RBI.

The scheme will be implemented through branches of public sector banks only and will cover metropolitan, urban and semi-urban centres with population exceeding 10,000 according to the 1981 Census. From each city/town one beneficiary for every five hundred population is to be assisted during the current financial year 1986-87. Though it is an ideal scheme for raising the incomes of urban poor but certain preventive measures against availability of informal sector, lack of experience on the part of bankers and the beneficiaries, tough competition, tendency of beneficiaries to spend their additional income on luxury items, etc., are required for its successful implementation.

#### THE ROLE OF INTERNATIONAL AND NON-GOVERNMENTAL ORGANISATIONS

Lastly, for the overall success of plan implementation, the role of International and non-governmental agencies cannot be overlooked. On the one hand, we have international agencies like the World Bank, Overseas Development Authority (ODA), U.K.; World Health Organisation (WHO); United Nation Children's Fund (UNICEF) etc., with various programmes for the development



of the urban poor. For example, in Hyderabad, the development programme of 207 slums with the financial aid from ODA has been undertaken by the Municipal Corporation of Hyderabad. The World Bank is also assisting such programmes, whereas UNICEF is concentrating on its urban basic services programme for improving the quality of life of the urban poor particularly women and children. The scheme of assistance to public undertakings/corporations/autonomous organisations for supporting projects aimed at income generation among women from weaker sections on a sustained basis with the help of Norwegian Agency for International Development (NORAD) would be further expanded during the Seventh Plan. On the other hand, voluntary organisations, educational institutions and training centres would be involved in delivering preventive and promotive health and social and nutritive care services for women and children in a planned and coordinated manner.

The involvement of International Agencies is most needed in our development programmes for the urban poor. But in some cases it has been observed, for example, in the ODA sponsored programme of community development in Hyderabad that lot of delays have taken place due to cost overruns in the implementation of its first phase. The designing of the programme has been made such that a substantial amount is spent on certain establishments which causes these delays.

Involvement of voluntary organisations is very important in almost all the development programmes for the urban poor. The participation of these organisations can ensure private initiative in solving local problems with the help of locally developed technology and can prove to be remarkably cost effective in programmes like shelter, environmental improvement and UBS. In fact, the urban poor is largely unorganised and ill-informed. Most of them would not even dare to enter the offices of urban planning and housing agencies.

In Madras, the Madras Metropolitan Development Authority made a specific effort to invite and involve voluntary agencies in playing specific roles and undertaking specific responsibilities in implementing, sites and services and slum improvement projects in various parts of the city. In Hyderabad and Vishakhapatnam, not only the external voluntary agencies but organised groups of local residents are also playing an important role in delivering various community services. In Calcutta, CMDA and UNICEF are evolving a programme of service delivery through voluntary agencies and community groups. And in Patna, a non-governmental agency called Sulabh International is involved in research, development and extension work on low cost sanitation technology. Ahmedabad Study Action Group's effort to involve a voluntary agency in the Vasma Resettlement Project changed its character, content and performance.

## CONCLUSION

The issues raised above can be summed up as under:

1. Whether the poverty line concept does provide a realistic basis for measuring poverty.
2. How policies and programmes can be tailored according to the needs of urban poor?
3. What could be done for establishing an information system for generating data on poverty?
4. Whether the migration of rural poor to metropolitan cities should be checked through the adoption of regional development planning or the city be allowed to expand for accommodating these people or whether the city gates be closed to check the in-migration.
5. Whether the integration of informal sector with formal sector or development of formal sector at a faster rate is the possible way to increase the income level of urban poor in cities.

6. Whether the idea of informal housing market is the right answer to the question of "low-cost" housing for different groups of urban poor based on their affordability.
7. Whether the existing financial-cum-development institutions like commercial banks, development banks, LIC, etc., are capable of meeting the demands of housing finance or whether a new category of institutions is required for the purpose.
8. Whether the 'sites and services' programme which tends to increase the spatial segmentation of the population and pushes the poor out into the periphery is more desirable compared to the slum improvement programme wherein the poor do not get displaced.
9. Whether the community-based strategy of the Urban Basic Services (UBS) programme would be able to coordinate the participation of urban poor with the implementation authorities for the convergence of interrelated services over the space or a different strategy is to be evolved.
10. Whether the implementation process of the UBS programme is satisfactory in the context of the present socio-economic structure in the district or whether a restructuring of the organisation is needed.
11. What kind of preventive measures could be adopted for the successful implementation of Self-Employment Programme for the Urban Poor (SEUPUP)?
12. Whether the technique of cost recovery is workable in the context of development programmes for the urban poor or without large-scale subsidies its success is doubtful.
13. Finally, how to include the NGOs in the mainstream of development for streamlining their activities and making them as effective tools in plan implementation?

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National Seminar  
on  
"Development Programmes for the Urban Poor"

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ISSUES FOR DISCUSSION

SESSION I: POLICIES AND PROGRAMMES FOR THE DEVELOPMENT  
OF URBAN POOR

1. Whether the poverty line concept does provide a realistic basis for measuring poverty.
2. What could be done for establishing an information system for generating data on poverty?
3. Whether the policies and programmes are tailored according to the needs of urban poor.
4. Whether the migration of rural poor to metropolitan cities should be checked through the adoption of regional planning or whether the city be allowed to expand for accommodating these people or whether the city gates be closed.
5. Whether the 'site and services' programme which tends to increase the spatial segmentation of the population is more desirable compared to the slum improvement programme wherein the urban poor do not get displaced.
6. Whether the community based strategy of the Urban Basic Services programme would be able to coordinate the participation of urban poor with the implementation authorities for the convergence of interrelated services over the space or whether a different strategy is to be evolved.
7. What kind of preventive measures can be adopted against factors like non-availability of organised marketing, tough competition, lack of experience on the part of bankers and the urban poor, tendency of the urban poor to spend their additional income on luxury goods etc., for the successful implementation of "Self-Employment Programme for Urban Poor" (SEUP).

SESSION II: ECONOMIC ACTIVITIES OF THE URBAN POOR

1. Is the unorganised sector a mechanism for coping with the problems generated by the inability of the rate and pattern of growth of industries to make a dent on the problem of urban poverty? Is it, in this sense, a further strengthening of the old, less-productive processes and structures which provide many socio-political and economic positive linkages to organised, medium and large industries without removing the basic constraints of technology, capital, market, skills, etc. faced by the urban poor working in the unorganised sector?
2. Are policy interventions designed to promote mini-entrepreneurs an effective substitute for effective employment, raising productivity, wages and supplies of inputs and wage-goods? How does SEPUP provide an answer to those issues?
3. Whether the urban poor would be able to raise his head above the poverty line in the informal sector of urban areas or whether the employment opportunities in the formal sector would be able to absorb the growing labour force in these areas.
4. Whether the integration of informal sector with the organised sector of economy would be able to raise productivity and earnings in the informal sector.
5. Alternatively, whether the development of formal sector at a faster rate is the possible way to increase the income level of urban poor.

6. There are vast opportunities for part-time jobs for under-employed persons. What measures can be adopted for organising them so as to enable to secure adequate wages and establish contact with citizens for seeking jobs?

SESSION III: HOUSING AND THE URBAN POOR

1. Whether the existing financial-cum-development institutions like commercial banks, development banks, LIC, etc., are capable of meeting the demands of housing finance or whether a new category of institutions need to be created for the purpose.
2. How to incorporate the features of informal housing market viz., (i) supply of houses according to the suitability of different groups of the urban poor and (ii) housing as a bundle of attributes (like location, size, quality of shelter structure, tenure and infrastructure) rather than a single valued commodity in the metro politan planning?
3. Whether the two apex institutions viz., the National Housing Board (NHB) and the Urban Infrastructure Development Finance Corporation (UIDEC) should be created in the public sector as non-profit development banking organisations with equity participation of the Government/the banking sector and financial institutions.
4. Whether condominium approach in ownership of housing should be promoted.
5. Management education is inadequate both in architectural and engineering institutions, it is being largely acquired through work experience. What could be done for strengthening management training for architects who entail to go in for management jobs?
6. Whether the existing legislation is adequate for an effective management of human settlements or whether a new set of basic laws are needed which could deal with resource mobilisation; define institutional role at central, state, local levels; promote security of hire-purchase lending by facilitating fore closure of mortgage etc.



7. Whether the investment made on social housing schemes has gone towards construction of formal housing by government, semi-government and cooperatives and a small fraction of the real requirement of housing for the poor has been met.

SESSION IV: INFRASTRUCTURE FOR THE DEVELOPMENT OF URBAN POOR

1. How to provide clean water supply and appropriate sewerage facilities for the urban poor to save his life from the potential hazards in the form of epidemics of various communicable diseases to increasing number of slums and squatters?
2. Whether the issues relating to affordability, accessibility, quality of public transport service etc., should be examined on the feed-back received from the consumers of the service alone, or whether the views of non-consumers (who are priced out of the system) be also considered.
3. There is a strong case for restructuring the present system of providing subsidy to the urban commuters in a fashion that the poor are in a position to get in bulk of it. Whether a discriminatory pricing scenario requiring general increase in tariff coupled with direct subsidies to the weaker sections is feasible.
4. In what manner the UBS can combine the elements of policies (who benefits) and organisational theory (structural and institutional changes) with bureaucratic re-orientation (changes in tasks, roles, values, attributes and behavioural pattern) and establish a link between changes in the incidence of poverty and delivery of services for eradication of poverty?
5. How the knowledge and skills of political leaders and administrative managers could be improved for an efficient management of urban basic services?

SESSION V: FINANCING DEVELOPMENT PROGRAMMES FOR THE  
URBAN POOR

1. There are three approaches to a cost-recovery programme:  
(i) full-subsidy and part subsidy; (ii) part recovery  
and (iii) price discrimination and full cost recovery.  
What approach should be adopted for its implementation?
2. Whether these cost recovery approaches stated above are  
used properly. When cost recovery principles are fully  
utilised vis-a-vis fully subsidised, they bring in ineffi-  
ciency and leakages in resource allocation and subsidy.
3. How to test affordability and police subsidy?
4. Whether the local resource base can be strengthened by  
rationalising taxation, users charge and fiscal transfers.
5. Whether the existing practice of giving subsidy can be  
replaced by financing services on the cross subsidy basis  
and grants from the higher levels of government.

SESSION VI: THE ROLE OF NGOs IN THE DEVELOPMENT OF  
URBAN POOR

1. How to include the NGOs in the main stream of development for streamlining their activities and making them an effective tools in plan implementation?
2. Whether the role of NGOs be limited to improving the access of the urban poor to infrastructural facilities like water supply, sewerage, transport, power, residential plots, etc.
3. NGOs can play a vital role in the development of the urban women. They can find out new avenues of training particularly for non-traditional sector of employment for the women. They should help women to take advantage of the facilities like credit, loan, training and market. Whether NGOs can also organise the women engaged in different unorganised home-based occupation so that they could have collective bargaining strength and avoid the exploitation of the middle class.
4. Whether the programmes for urban poor undertaken by NGOs would be contributing towards an accelerated transfer of resources from the rural to the urban to the metropolitan economies and would be using them as crucial cogs in the restructured, relocated productive mechanism devised by the world capitalism.
5. Some of the internationally assisted programmes for the urban poor are so designed that a very large percentage of their allocation is consumed on the upkeep of "native" and "international" staff. Equipments imported from outside cause lot of delays and cost over-runs. Are the local supplies not comparable with the quality of imported equipments?

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DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
: A CRITICAL REVIEW

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## Development Programmes for the Urban Poor: A Critical Review

By C.S. Chandrasekhara

As we go towards the end of the century, the whole planet is being drawn into the industrializing, urbanizing, technological order just as peoples of Western Europe, then America and then Russia were drawn into it during the nineteenth century. Admittedly, the first comers had the advantages of slow growth rate of population, vast resources of empty land opening up for settlement and for food supplies, and a fair match between work force and technology. Yet the economic and social consequences of the new system do fair resemblance to world conditions, some forty years after the end of World War II and the emergence of political decolonisation.

The fundamental affinity lies in the realisation that vast increases in wealth are enriching a small proportion of the population and that a much larger mass of people are actually worse off which means a deliberate creation of mass poverty. Thus increasing economic growth offers no guarantee against mass poverty, unless production and distribution policies are linked integrally and the distribution policies are built radically into the pattern and organisation of production. The development strategies must be oriented towards satisfaction of basic human needs rather than market demands. The increase in productivity should come forth from the poorer sections of population by a radical change in the direction of investment towards the poorest sections of the Society.

In evaluating the development programmes for the urban poor, it is necessary to examine whether any of the considerations enunciated above have been kept in view and to what extent. A further complication has come out about by separating mass poverty in rural areas from the mass poverty in urban areas, although it has been recognised that urban poverty is directly related to rural poverty and if rural poverty is abolished whether urban poverty

will continue to have the dimensions it has today. It is significant to note in this context that the Seventh Five Year Plan speaks of Poverty in total terms and not in terms of rural and urban poverty. The plan states that "in a situation where poverty is pervasive, the perception of needs and priorities must not be merely a male perception but take into account explicitly the special needs and problems of woman. The plan proposes an expanded anti-poverty programmes integrated with the various sectoral and area development programmes."

However, when we come to the actual programmes, we find that the anti-poverty programmes are built into Integrated Rural Development Programmes for rural areas (IRDP, NREP, RLEGP, and Special Employment Programme) and in the case of urban areas, into the (1) minimum needs programme, (2) Slum improvement programme (ELS), (3) Shelter programmes for the economically weaker sections (EWS), and (4) Urban Development Structure. In the urban sector, assistance and credit facilities to Self-Employment programmes help to alleviate urban poverty arising out of employment. It is worthwhile to recall the following statement in the Sixth Five Year Plan:

\*"Economic Development during the last nearly three decades has led to a perceptible increase in the average per capita income which rose from Rs.446 in 1950-51 to Rs.730 in 1978-79 at 1970-71 prices. In spite of this, the incidence of poverty in the country is high. So far it has not been possible to make a major dent on poverty on account of the inadequate rate of growth of the economy, uneven distribution of income and consumption as well as high rate of growth of population..

From a general study of the problem, it has been observed that within a possible range of growth rates in gross domestic product for the Sixth Plan and the perspective



period (1985-1995) a substantial reduction in poverty can be achieved only if there is a determined effort at a significant redistribution of income and consumption in favour of the poorer sections of the population. It is therefore, necessary that the growth strategy should aim at a significant redistribution of income and consumption so that the percentage of population below the poverty line reduces from 30 in 1984-85 to less than 10 by 1994-95".

The Seventh Five Year Plan 1985-1990 does not make it explicit how this redistribution of income and consumption in favour of the poorer sections will be brought about as the programmes in respect of both rural poor and urban poor follow traditional lines of subsidies to selected sections of the people identified by the administration as poor. On the other hand, the price and distribution policies regarding food and clothing adopted by States of Karnataka, Andhra Pradesh and Tamil Nadu show a marked bias to facilitate increase in consumption by the poor in urban areas as well as in rural areas.

Against this background of our attempts to deal with poverty both in rural and urban areas a number of issues arise which need to be explored in depth, if at all, to find some answers. Amongst these the following can be listed.

- (1) The concept of poverty, specially urban poverty,
- (2) Is Urban Poverty a transitional phenomenon and if so, is it taken note of by the current programmes,
- (3) Poverty as a relative indicator and establishment of basic levels - and
- (4) What type of programmes would be considered relevant?

#### 1. Concept of Poverty:

The concept of poverty as it is presently understood is in terms of income and consumption. While income can vary from nil income to anything higher, consumption has a

lower limit based upon survival standards but increases as desirable standards of nutrition, health, shelter and other economical and social needs are determined. Where the income is below the desirable level of consumption, poverty line gets drawn. This definition of income in rupee terms has been redefined periodically. The Seventh Five Year Plan has raised the household income per month from Rs.350/- to Rs.700/- for purposes of eligibility for economically weaker sections housing, and for low income group housing from Rs.600/- to Rs.1500/-.. It has been the experience that houses built for the economically weaker sections of people are largely occupied by the low income group as the instalment paying capabilities of the EWS are much below that required for the houses provided to them. Thus the definition of urban poverty in terms of household income is deficient and unreliable.

The consumption pattern of the low income groups for food, non-food and total is given in the table below according to the national sample survey 28th round carried out in October 1973-74. The table indicates that the consumption levels in the two income groups of 100-150 and 150-200 practically takes the whole of the income leaving very little margin for saving, which can serve as insurance for future layoff in employment or other calamities and the groups are extremely vulnerable.

Table

All India Urban Consuming Expenditure in Rupees per person for a period of 30 days and by monthly per capital expenditure classes:

	100-150	150-200
Food	61.28	98.85
Non-food	46.32	72.97
Total - 1971-72 levels	107.60	171.82
At current prices in 1986	412.11	658.07
Income levels at current prices	478.75	670.25

Source: National Sample Survey: 28th round - October 1973-74.

In the table, food includes all food items including beverages and refreshment. Non-food includes pan, tobacco and intoxicants, fuels light, clothing, footwear, misc. goods and services, rents, taxes and durable goods. Further, these consumption levels do not necessarily indicate the minimum levels from the point of view of nutrition, health and other standards. Thus the concept of poverty in terms of income and consumption levels is unreliable and deficient in many respects.

Since the minimum consumption levels defined from human welfare standards have to be ensured as a part of the national policy, linking the consumption levels to a minimum income is obligatory and from that the fixing of minimum wages in order to make it possible for the household income to ensure that consumption expenditure takes away only 75% of the income leaving 25% of the income as savings for future uncertainties is also obligatory. How this minimum level of income can be assured, whether by employment in the primary, secondary or tertiary sectors or through government social support for the sections of the population unable to be engaged fully in order to earn this income is a matter that needs to be considered. Thus employment by itself may not achieve the reduction in poverty levels unless employment is linked to total productivity which compensates for the non-productive sections of population such as children below 14 years of age, old-age people above 60 and disabled population in the working age groups. A further factor that needs to be taken note of is the rising price levels and the index of standard of living which the income level has appropriately to compensate. Unless these linkages are established on a sound basis and made capable of being upgraded, any expectation in regard to reduction in poverty levels can only be illusory.

## 2. Urban Poverty as a Transitional Phenomenon

It is evident that poverty increases as the rate of increase in production in the urban areas falls below the level of potential productivity of the population. As new urban population is added due to migration or other causes and is non-productively engaged, the level of poverty will go up. Therefore, the rate of increase of population in a city which determines the rate at which the poverty increases in the city. The present rate of growth of urban population in some cities has risen to level of 6 or 8% without parallel increase in the production in the city which is normally at a rate much lower than the rate of population growth. This has naturally tended to create a situation in which substantial sections of population resort to substandard conditions of living. Since the increase in the population of the city is made up of both natural increase which is about 2.5% and migration which varies, when the migration component gets reduced substantially, then the poverty level in the city will also get reduced. Since the migration is mainly from the rural areas and to some extent from smaller settlements, the programmes that help to arrest the rural-urban migration such as rural employment programmes and upgradation of rural living standards will greatly help to fight urban poverty. So far as the migration from the smaller towns to larger cities are concerned, programmes like IDSMI when sufficiently enlarged may effectively reduce migration and thereby not only increase the income levels in the smaller towns and cities but also bring out poverty levels in the larger cities. Thus poverty has characteristics of shifting from rural to urban areas and from urban to larger urban centres. This process of shifting cannot be considered part of permanent attributes of the sections of population which shifts; as the population groupwise rises to higher income and consumption levels, poverty shifts to other population groups. Therefore, urban



poverty is a transitional phenomenon and is not permanently attributable to any particular group or sections of the population. Therefore, the programmes to fight urban poverty should also aim at transitional help and non-permanent investment. In fact permanent investment may even endanger the efforts which a population group may put forward to get out of the poverty brackets. Any kind of a permanent investment such as provision of capital assets in the form of a site or a shelter is likely to stabilise urban poverty rather than overcome it.

The environment improvement programmes for slums while in the beginning may provide capital outlays, should be ultimately placed on a self-paying basis if the programmes are to yield lasting results. Therefore, when we talk of the lowering of the poverty lines or raising of the poverty lines, the reference is not to a particular group or section of population but to an overall income and consumption level at a point of time which will continue to change for the better if the programmes are well structured.

### 3. Poverty as a relative indicator:

In a demographic set up, where incomes are derived on the basis of individual enterprise, effort and capabilities, there are bound to be income differentials and as long as there are differences in incomes, there will be a lower income group and a higher income group and the lower income group would be regarded as poor in a comparative sense. However, as long as a lower income group is at a level where individual consumption levels are substantially above the level of minimum consumption standards fixed on the basis of health, nutrition, housing, education and a desirable standard of living, merely the lower income would not be significant. However, if income differentials are glaringly large, with ostentatious luxury on one side and bare utilitarian levels on the other there is possibility of social disaffection and unrest. The Sixth Plan appropriately indicated that a determined effort be made for a

significant redistribution of income in favour of the low income group. This would mean that as we go towards the end of the century, individual incomes from whatever source they are derived have to be brought within acceptable limits. The ratio of the lowest to the highest income levels can be 10 or 12. If it should be of the order of 100 or higher, disaffection would naturally result. The economic growth policy and fiscal management should be geared to achieve this objective. Only then can the significance of relative poverty can be underplayed by establishing satisfactory basic levels of standards of living and consumption.

4. Type of programmes relevant in the context of Urban Poverty:

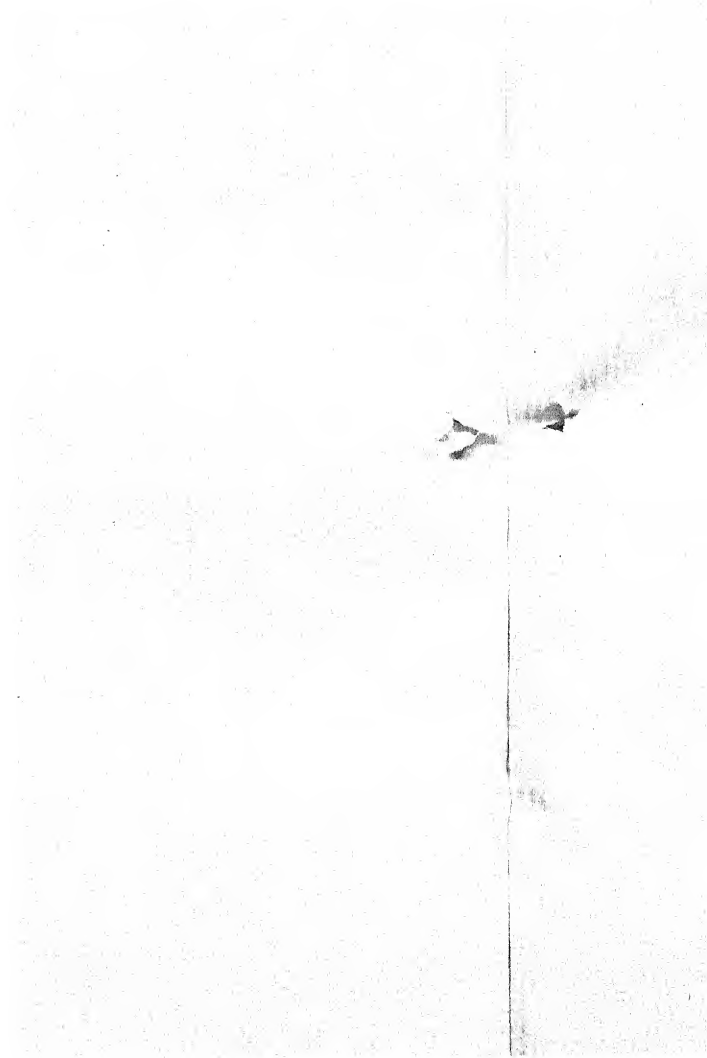
From the foregoing, it is obvious that current programmes towards reducing urban poverty which are expenditure-oriented whether in the form of subsidies or capital grants in cash and kind have more of a political dimension than economic or social goals. The last two decades have also indicated that urban poverty alleviation programmes tend to get concentrated during pre-election time and come to be used as substantial vote-catchers. Provision of services, regularisation of unauthorised construction, allotment of land and credit for house constructions, all are in this category and can have only a short term objective. In the long term they lead to waste of valuable land and natural resources and even more important loss of opportunity to set right the economic inequalities which economic growth today is giving rise to. Development of the informal sector in the urban areas specially metropolitan cities through financial, legal and resource facilities could go a long way in elevating the vulnerable sections of population to a stable level and making those sections productive components in the urban economy. The present programmes hardly aim at this objective. There



is no programme except perhaps extension of credit facility to a limited purpose which have attempted to help the innovative activities amongst the informal sector for which the metropolitan cities present ample opportunities.

Concluding, there is need for restructuring of urban development programmes away from capital investment and capital subsidy commitments to upgradation of the capability for self employment, innovative enterprise, new entrepreneurship in production areas where the equation is that of current support to be repaid by future earnings. It is the investment in insurance type of programmes rather than investments in expenditure programmes that would go to help eliminate urban poverty progressively over the next two decades and to this end both planned programmes as well as infrastructural development should be directed.

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FACTORS AFFECTING FORMULATION AND  
OPERATIONALIZATION OF POLICIES AND  
AND PROGRAMMES FOR THE URBAN POOR

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Factors Affecting Formulation and Operationali-  
zation of Policies and Programmes for the  
Urban Poor

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Development of the country as a whole as well as major sectors of its economy were a recurrent theme of debates and discussions among the leading personalities during the struggle of independence. These deliberations tended to define approach and methodology to be adopted once the country attained independence. In the post-independence period, the official planning effort concentrated its attention in devising policies and programmes which 'fostered growth and development' in the country. Whereas the general objective of all development programmes was improvement in the quality of life of its people from various walks of life, poverty removal as such was not one of the specific objectives of the planned effort. As dissatisfaction with the planned effort to promote equity grew in volume and intensity in the late Sixties, removal of poverty became an unavoidable political prerequisite and a specific priority item to the planners. A systematized, methodical and effective assault on poverty was still not on the horizon. Under the peculiar set of circumstances thereafter, only a few adhoc steps were taken to remove/alleviate poverty. It was only during the Fifth Five Year Plan that poverty alleviation became an important policy and "frontal assault" poverty alleviation programmes appeared on the scene.

From an evolutionary angle, the Sixties and Seventies were the decades when the issues for debates, national and international, concerned ensuring equity to the poor. During the Eighties, however, significant shifts appeared to have taken place. On the one hand, there were lesser amount of transfers of resources for development purposes: on the other hand monetary

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\* written in personal capacity and reflecting only the personal views of the author.

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flows from poor to the rich recorded a significant upturn.<sup>1</sup> Acute human, social and economic crises were recorded in a large number of developing countries accelerating the development of underdevelopment. And adaptation and adjustment of the poor to the rich became the main issue of the debate.

The challenge before the policy and programme planners is to revitalize the struggle towards a more equitable development with a necessary tilt in favour of the most exploited, vulnerable and unorganised poor. To do so, it is essential to identify the considerations which have affected formulation of the policies and designing of the programmes for the urban poor and the characteristics of the programmes undertaken during the last two decades. Organised in three sections, this paper addresses itself to this task.

## I

### Conceptual Factors

#### 1.1. Viased View of Development

As it has evolved, the concept of development has been both time and space-centred. In the cultural-social-technological sphere, it has been defined by not only what existed now but also by what existed in the major western countries defined most developed. In turn, this has led to a widespread tendency to give highest importance to the situations in areas where the power to dominate and influence the others is momentarily located.

The concept of development now needs to be redefined where it covers two sets of attempts and strategies. One of these would be directed at such goals and objectives which are undeniable universals for human kind (i.e. realisation of basic needs and fundamental human rights): the second set would concern itself with such goals and objectives which represent specific cultural expression of these.



### 1.2 Tainted Picture of Empirical Reality

An overemphasis given to technology and other economic aspects of development has similarly led to a fractured view of human reality. In turn, this has produced unparalleled capital accumulation in certain parts of the globe and in certain strata of these societies and exclusion of groups and strata from access to resources. The task of removal of this type of underdevelopment has to be a far more comprehensive exercise capturing within its ambit the socio-cultural aspects as well.

### 1.3 Distortion of the Development Paradigm:

Both nationally and internationally inspired development exercises quite often attempt mere transfer of resources and technology making segments of mankind a passive target group designed by the outsiders. The main theme of development paradigm has to include human rights dimension in addition to human survival and improvement in the levels of living. There is also a need of people's participation in need articulation and programme design on the one hand and meaningful role in programme operationalisation and execution.

### 1.4 Treatment of the concept of Poverty

It is significant to note that the official criteria used for measurement of poverty in India belongs to the GNP group of measures. As is well known, this has several limitations and tends to view poverty as a symptom in a very narrow, limited sense of the term and that too as a gross absolute measure of inequality/deprivation. Without any doubt, poverty is a much more complex social phenomenon than mere physical and/or material deprivation, a family of concepts put together under one label. Yet, poverty as measured by the official studies does not capture this overall

complexity of the phenomenon and, this tends to focus attention on the symptoms rather than the disease. There is a significant link between this blinkered view and the prescriptions used in eradicating/alleviating poverty.<sup>2</sup>

## II

### Biases Affecting Policy on Urbanisation

#### 2.1 Specific Problems of Urban Settlements and Generalized Solutions

There is a widespread belief that large Indian cities have grown much faster than and at the expense of towns of smaller sizes.<sup>3</sup> In addition, there is a complementary belief that continuous and disproportionate share of rural migrants has been pouring into the metropolitan cities. This bias has generally led to an obsessive preoccupation with the problems of large cities and allocation of resources for combating them. It has also been a mistaken belief that control of the growth of class I million plus cities by developing urban settlements in each region would achieve what is usually termed as "balanced regional development". In this ideal seeking foray urbanisation and regionalisation are generally divorced from the hard realities obtaining in Indian economy and society. It is not very often realised that urban development is part and parcel of the process of economic development in general and there is a close casual relationship between per capita income and levels of urbanisation, urban specialisation and sophistication. Structure changes occurring in a poor, largely agriculture-based economy would get themselves reflected in the changed ratios of secondary and tertiary sectors. The share of agriculture in the GNP of the country has been steadily declining and it is inevitable that there would be mass exodus of rural population to the urban areas as the transfer of rural based services and manufacturing takes place there. However, development of towns

and cities in a region is largely dependent upon the economy of the region and howsoever keenly the "planners" want a balanced urban growth and settlement pattern, the gains of city size economies can not be wished aside. Importantly, in the larger urban settlements the key issues in shaping their specific growth and development would, thus, be their economic bases and how these are nursed and guided. Problems of different sized urban settlements have to be dealt with according to their respective needs and it would be essential to differentiate between not only the metropolitan centres of national importance and other large size cities representing regional, sub-regional and local, but also between different categories of urban poor living in different social areas of these settlements. Exercises seeking a single, proto-typed/ generalised solution without leeway for specific of each case and in isolation from the ongoing processes of development and underdevelopment would not meet the requirement. Specific situation analysis, identification of areas of intervention and instrumentalities of regulating growth would be needed.

## 2.2 Viewing Tainted Metropolitan Growth as Unplanned

There is another widespread belief that most of the cities have grown in a haphazard manner; that their growth and expansion have been devoid of any logic and methodology in planning; that a neatly drawn out perspective plan with attendant paraphernalia of land use, zoning, and regulations would set the matters on the right track. Historical development process analyses of some major cities, however, indicate that each of them has been planned initially and interventions of significant nature have been made periodically thereafter.<sup>4</sup> From a careful examination of historical sequence of physical growth of major Indian cities it emerges that this has been determined by the conflicting needs of the ruling class, trade and industry and the converging other classes. During the initial period, the

- 1 -

task of developing these cities alternated between single institutions. As the time elapsed, additional agencies appeared on the scene and began making and executing independent physical development schemes without necessarily integrating them with the overall concept and functions of the cities. The state govts. remained in the wings retaining the right to intervene but, controlled as they were, seldom exercising the central cementing and integrating functions in the physical development of the cities. The Municipal bodies did not have overriding powers to regulate and control the pattern of development brought about by a plethora of agencies. As the size and complexities of single problems being faced by these cities increased, specialized single and multi-function agencies got added during the post-independence period. Only very rarely was any agency specifically charged with the responsibility of managing the problems of the urban poor. Thus, whereas generation of structural problems in the cities was cumulative articulation of solutions and their management was segmental. And overall management of the cities continued to be the responsibility of institutions not endowed with commensurate powers.

### 2.3 Logic and Class Basis of Development of Urban Services

Physical development of cities, location and siting of different component elements governing growth of the cities (i.e. manufacturing, servicing and office sectors) and adjustment of differential growth of the component elements of the cities deciding ratio of population to such crucial items like housing and other services, work trips to traffic carrying capacities, capacities of the utilities to their actual loads and so on have generally been governed by several pronounced biases. Evidence from cities like Greater Bombay indicates that the rich and powerful were given preferential residential location; disposal system were, as far as possible, kept away



from their areas; in laying out circulation network, the entire city's need were quite often subordinated to the requirements of the rich and the wealthy and the needs of the other sections-especially the poor-were only sporadically attended to with grudging allocation of attention and resources; in the actual sequence of provision of essential civic and social and other services, the ones needed more by the elitist class came to be provided first; whereas the requirement were worked out on a per capita basis assuming no differences in their availability and use, the actual distribution, usage technology and pattern made unequal availability favour the rich; the quantum of services needed almost always lagged behind significantly than the one actually provided; the drawl of inputs (i.e. water, power) showed the pattern from the immediate neighbourhood to distant areas with the result that the expansion of the city not only increased the quantum of the demand but also the distance of their supplies involving laying out of lengthy and costly supply lines; as the time passed, every such expansion in the capacities of supplies was not only going beyond the capacities of the municipal bodies but jumping even the capacities of the state govt. it was becoming dependent upon the stiff conditioned loans from international agencies. And it so happened that the citizens, especially the poor, had to pay through their nose in almost every case. Whereas the municipal bodies were statutorily obliged to provide only some of the services from the total package needed by an emerging/elitist-oriented cities, the state was coming forward to provide only a few of the remaining. The business and elitist class, therefore, built a number of servicing institutions for their exclusive use and the poor were left to fend for themselves. Accumulated load of the problems of the poor sometimes led to visible and forceful demands. To take care of these periodic predilections and shifting areas of concern, committees/study groups/task

forces were appointed. The pattern of response which emerges from their reports is that of selective problem articulation and still greater selective orientation in attempting their solutions. Most often the solution pushed through involved reducing the quantum or quality or both of the availability of service/facility to the citizens. In certain patches of the historical continuum this neglect of city's needs sunk to notorious depths. And yet, it would be absolutely incorrect to conclude that no conscious planning effort was involved in this type of development of the Indian cities. On the other hand, what emerged so significantly was not planning of the cities as single entities and for their entire population, as these exercises are expected to proceed, but planning of parts and for certain classes of the citizenry. Among other things, this type of planning involved overlooking and ignoring the problems which affected the common man especially the poor. It consisted of finding excuses to defer their solution (i.e. not properly studied, no funds, and so on). It also involved finding justifications, real and imaginary, to push through solutions in the name of the poor to benefit the rich (i.e. talking of shifting of trade and industry and shifting the poor). The methodology of growth and development of the major Indian cities appears systematic and indicates a design; it involved ensuring every conceivable effort to facilitate, mostly at public expense, the elitist class and leaving the mass of the urban poor to the greed, ingenuity and ruthlessness of forces controlling a parallel urban economy. Very few enquiries have addressed themselves to this logic and class bias in urban development. What had instead attracted the attention of "planners" was cosmetics of the urban form.



## 2.4 Mismatch between Need Priorities of the Poor and the Policies and Programmes

For the majority of the urban poor the immediate concern is eking out a living. It not only consumes most of their time but, importantly enough, decides every thing else about their lives. Food, shelter, health, education and entertainment take a back seat. Policies and programmes for the urban poor, on the other hand, have been and continue to be, framed by such professionals, who have quite the opposite view of their needs. Those who mediate on behalf of the poor have their own motives to obtain peculiar solutions of their (the poor) problems. As a consequences there is a mismatch between the need hierarchy as seen by the poor and the policies and programmes as articulated and formulated by the planners and political actors.

### III

## Character of Policies and Programmes for the Urban Poor

### 3.1 Mix-Up Between Causes and Consequences:

Situation analysis and identification of critical areas for intervention through a set of programme/schemes requires, among other things, a very precise enunciation of the relationship between causes and consequences. The planning exercise reflected in the Five Year and Annual Plans sometimes mix causes with the consequences. Quite often therefore, the planned programmes addressed themselves only to the symptoms rather than the disease.<sup>5</sup> Even in cases where the situation analysis does aim to identify the underlying causes, the emphasis appears to be getting placed on the immediate rather than the deep rooted underlying causes.

### 3.2 Complexity of the Problems and Simplicity of the Programmes:

The bulgeoning army of experts and programmes planners has been displaying an amazing naïveté in providing complex analysis of the problems and yet culminating in oversimplified programmatic solution quite far removed from obtaining empirical realities. Programmes like Sites and Services, Slum Relocation, and ICDS are useful examples of these tendencies resulting in encouragement of irrelevant and/or ineffective action or discouragement of any effective action at all. Therefore, whereas analysis and improved understanding of complexities are welcome, there is a strong case for a more realistic and programmatic selectivity in programme design.

### 3.3 Appropriateness of Integration and Goal Placement on Time Dimension:

Coaxed, cajoled and coerced by international funding agencies (IMF, World Bank, UNDP, UNIDO and a whole boggy of other agencies), quite a few "integrated" programmes for the urban poor have been launched. However, in operational terms what programmes like the ICDS and UBS tend to do is to juxtapose tasks and resources from different agencies: integration is left to the vagaries of a mechanism which does not accomplish its assigned task. There is also a second tendency of mixing up phasing of efforts in many programmes. A crucial programme like EPI for the urban poor, for instance, has not been necessarily differentiating between the left over targets for immunisation from the past and present and future immunisation targets planned. The integration of task must result in a phased sequences of contributions over time by different sets of actors in a chain of steps designed to lay foundation for one after the other and ensuring inbuilt self-sustenance.

### 3.4 Resource Availability

Characteristically, some of the internationally assisted programmes for the urban poor are so designed that a very large percentage of their allocation is consumed by the establishment created thereunder: only a meagre part is left for the software of the programmes. The pattern of cooperation and assistance worked out sometimes ends up in quite a large part of the outlays of a programme consumed on the upkeep of the "native" and "international" staff, stationed by the "aid giving" agencies at the national, regional and local levels, and their per diem. The procedures of some of these international agencies sometimes make it necessary to import equipment being used under these projects from outside countries even though supplies of comparable quality and quantities are locally available causing delays and escalation of costs.

### 3.5 Goals Visible and Hidden:

Ever since the world Bank launched the strategy of direct attacks on poverty in the mid of Seventies, a trend towards giving a new orientation to world capitalism has been seen. A confluence of five sources (multinational corporations, foreign governments, corporate sector, local govt. and a conglomeration of international funding and aid giving agencies) has given a newer character to role of the state through the mechanism of non-government organisations (NGOs). These organisations attempt, inter alia, to bypass the known legal, constitutional means of accountability for their functioning. These NGOs would be charged with the responsibility of crucial areas of national economy which would ensure emergence of a global middle class, utilization of the urban poor and the urban informal sector as crucial cogs in the restructured, relocated production mechanism devised by the world capitalism.<sup>6</sup> In a very clever fashion the programmes

for the urban poor would in fact be contributing towards an accelerated transfer of resources from the rural to the urban to the metropolitan economies. Thus, whereas these programmes are and would be undertaken in the name of urban poor, in reality they would be working against their interests.<sup>7</sup> The beauty of this arrangement is that they would be themselves participating in this process of self-destruction.

#### Notes

1. According to an IMF study released on 29th December 1986, the net additional borrowings of developing countries during the last three years were:

1983	35 Billion
1984	15 Billion
1985	9 Billion

Not only were the net additional borrowings declining: some third world countries were also repaying their loans to their banks in U.S. and other industrialized countries. International financing experts were "worried" since, in their thinking, paying back was not a sign of prosperity but depletion of scarce resources. They also argued that when money flowed back to the more developed countries, the poor ones have less resources available for their own development.

The recipe prescribed is: make additional borrowings to produce more goods, create more jobs, and raise levels of living by exploiting national resources and building of factories, etc.

2. For a more elaborate enunciation of this narrow view of poverty and operationalized nature of planned programmes in India, see, for instance, H.S. Verma (February 1985).

3. Using comparable urban size units Rakesh Mohan (1982) has, on the other hand, demonstrated that in reality towns and cities of all sizes have been growing at roughly comparable rates in India at least for the last three decades; that the share of million plus cities in the total population of class I cities has not increased appreciably since 1951; that the distribution of city sizes in India is relatively even and that historically no dramatic changes should be expected in the next two decades.

4. See, for examples, Sunil Munshi (1978) for Calcutta, Nigel Hariss (1978) and H.S. Verma (July 1985) for Bombay, K.Gillion(1968) and H.Spodek 1965, 1969, 1974) for Ahmedabad and Rajkot and Hjortshøjg MIS, 1960, 1979) for Lucknow for specifics of the processes of their growth, and Bhattacharya (1979) for an overall process for analysis in the India sub-continent. There are also two excellent treatises by Nijkamp (1981) and Nijkamp and Rietveld(1981) which provide a global view.

5. There are some who argue that 'some means are ends in themselves' and that ends have a natural way of turning into means for a farther end in the evolutionary process. See, for instance, Vittachi(1986).

6. See, for instance, Kothari (Nov.1986).

7. Frankel (1979) has argued that this is because of the political model chosen and the strategy of societal change adopted by a ruling coalition consisting of several elements. Given the limitations of an approach wanting radical change in the society without any radical change in the socio-economic political structures and processes, there has been periodic and continuing search for methods and programmes which tend to meet the contradictory requirements of the rhetoric and the empirical realities in a stratified society.



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NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(FEBRUARY 2-3, 1987)

DEVELOPMENT OF THE URBAN POOR:  
A POLICY IN SHAMBLES

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## DEVELOPMENT OF THE URBAN POOR : A POLICY IN SHAMBLES

It is a well known fact that nearly 170 million live in urban India (1986) although the 1981 census indicated it at 159.7 millions. In other words every fourth India is living in urban areas. The census of 1981 indicates that urban India grew faster in the present decade 1971-81, at 46.02 percent, which is 8.1 percent more than 1961-71. When compared to the national average of 23.73 percent and the rural rate of 18.96 percent, this urban growth in the past decade is indeed enormous. Irrespective of the regional variations in urbanisation, amongst different regions on analysis of the past three decades indicates that the urban growth rate is increasing in every decade. The urban - rural disparity is a major causative factor for more migration from rural to urban areas. In 1951-61 rural-urban migration was of the order of 5 million persons and contributed to more than one-fourth of urban growth in that decade. During 1961-71 rural-urban migration involved 10 million persons and accounted for one third of the urban growth in the decade. During 1971-81 rural urban migration played a significant role in urbanisation with an estimated 28 million persons involved in such migration. This contributed to more than 55 percent of the urban growth as the absolute increase in the urban population was 50.6 million. Irrespective of the push and pull factor causing urban population growth, there is no second opinion that 'ruralisation' of urban India is going on unabated. The rate of natural increase, which is well above 20 percent in the past three decades has also contributed to this factor in no small measure. The annual growth rate of rural population was successively 1.89, 2.00 and 1.75 percent per year in the last three decades. Alternatively the urban - rural differentials (difference between growth rates of total urban population and rural population) range from 0.48, 1.29 and 2.11 percent per year during the same period.

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Secondly the general decrease in average size of land holding from 3 hectares to 2.4 in 1971 rendered more agricultural population surplus among the bulk of peasantry who are small land holders. This continues unabated despite the recent 'green revolution' where the main actors are large size land holders(Kulaks).

With the result, in the urban scene there is an interesting phenomena of an agglomeration of 'rural poor' and the development of slum and squatter settlements and a section of population which is below the poverty line, the Seventh Plan estimated it at 36.9 percent of the country's population. The estimated total for 1983-84 is about 37.4 percent. In fact nearly 300 million persons do not have sufficient income for even bare minimum food. Besides a large percentage population above poverty line also cannot afford houses due to low income and lack of sufficient savings.

The incidence of poverty in urban areas is estimated to an average 28.1 percent in 1983-84. However this average figure is a misnomer. In majority of the larger states, the percentage of population below the poverty line in urban areas is above 30 percent. It covers the States of Andhra Pradesh, Bihar, Madhya Pradesh, Karnataka, Tamil Nadu, Uttar Pradesh and Orissa. It will be seen that in two categories namely the most populous states and most urbanised states in the country, every third person in the urban areas is below the poverty line.

The incidence of poverty in rural areas is mostly related to agricultural income and fluctuates with the seasonality of agricultural produce. Although the absolute population of poor in the over all situation is fluctuating, it is rising annually at a rate of 3.5 million in rural areas and 1.5 million in urban areas. It is significant, that this disadvantaged sections of the society actually contribute to the migrants to the urban areas from the rural sectors, and



within the urban scene to the slum and squatter population. The slum population was estimated in 1981 at 30-40 million persons at the 12 metropolitan cities together account for 40 percent (13.16 million), and about 30 percent of the rest by the cities. The estimate for 1990-91 made by the Ministry of Urban Development, puts it around 45 to 56 million with more than 74 percent living in cities including the metropolises. In other words nearly 25 percent of the urban India is and is expected to be living in slums upto 1991.

This estimate is only one facet of the issue of disadvantaged section of the society namely the urban poor. The other is the affordability of the population for cheapest dwellings, because of low wage induced low savings. A World Bank study of developing countries indicates that a large percentage of households in majority of the countrys cannot afford cheapest dwelling (Housing sector policy paper 1975). The range of such population was as high as 60 percent at Nairobi, 63 at Madras, 64 at Ahmedabad and 55 at Mexico. Allowing for escalation of costs and increasing gap between needs and supply of housing over the last 10 years (upto 1985) it can safely be assumed that nearly half of two-third of the city population cannot afford cheapest dwellings.\*

In a recent seminar on urbanisation and growth of slums: representatives of different metropolitan cities like Calcutta, Ahmedabad, Bombay, Bangalore, Hyderabad stated that generally the slum population ranges between 50 to 60 percent of the total urban population in these cities. For example in Bombay, out of a total of 82 lakhs population, 42 lakhs live in slums, about 2 to 3 lakhs in pavement areas, and 80 percent of the rest of the population in the chawls of old construction vintage which are crumbling due to lack of maintenance.

\*This is corroborated by the Study of Delhi, in 1981, 25 percent of the households lived in resettlement colonies, 30 percent in slum areas and another 70 percent in unauthorised colonies. Thus adding to a total of 64 percent in slum conditions.

This is the picture of the majority of the cities including metropolises wherein the condition of urban poor in terms of living is appalling.

If we compare the urban poor with respect to access to basic needs, it will be interesting to note that in urban India the total population served with sanitation is 28.4 percent. In the most populous states like Uttar Pradesh, Madhya Pradesh the percentage of urban served by sanitation is 14 to 8 percent respectively (1985). The situation is somewhat better in the highly urbanised states of Maharashtra, Tamil Nadu and Karnataka where it ranges from 38 to 47 percent. On the other hand if we reckon access to water supply (by public or private services), the population range varies from 32 to 66 in majority of the Indian states. In Karnataka, Tamil Nadu, Gujarat and Bihar, it ranges from 75 to 82 percent. However this would not give a very clear picture as the quality of water is directly related to the health issues. Normally the slum and squatter settlements and the rehabilitation colonies have poor access to water supply with minimum number public stand posts or handpumps due to their peculiar urban locations and tardy development of these basic facilities in them.

If we reckon the percentage of population who are houseless in urban India (1981) nearly 0.4 percent or 8 lakh persons are houseless. The houseless population range from 0.2 to 0.5 percent amongst the states, and 0.1 to 1.1 percent among the Union Territories in the country. For example in Bombay 2 to 3 lakhs people live on pavements and an equal number amongst the slum residents are really houseless.

This scenario of the urban poor i.e. the population below the poverty line, slum and squatter settlements residents, disadvantaged section who cannot afford cheaper dwellings, and houseless is the indication of the present state of the urban poor in urban India. The gravity of the situation is further compounded if we look at the urban informal sector. A recent study of informal sector employment in Indian towns and cities indicates that nearly 45 to 54 percent of urban labour force is employed in the informal sector.

Not only the existing living conditions of the urban poor are inhuman and appalling, they are also creating environmental health issues in terms of disease located within the slum and squatter settlements and there in-sanitary conditions. With the result today the attributes of our city is one of the squalour, congestion, slums in-sanitary conditions, and pollution of land, water and air for majority of the population living is the disadvantaged sections of society. Not only these attributes are posing a challenge to the development of urban poor but that of urban management due to the sheer magnitude and scale of problems involved in the various physical areas of the city. These have actually defied the various policies and programmes so far aimed at development of the urban poor.

There are no separate policy for development of urban poor at the National and State levels. With the result there are no concrete efforts in the real sense to tackle the issues necessiated by such agglomeration of urban poor in out cities. Even data on employment and labour force in cities in respect to the urban poor are not readily available. The employment figures in urban and rural areas are enmeshed in a countrywide intersectoral dynamic model. With the result we have to

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resort to only private research studies, specific to different cities, to gain insight about the employment opportunities for the urban poor. As already stated 45 to 54 percent of the total working force in urban areas of the country is engaged in the informal sector (M.N. Buch 1986). The other indicator of employment for the urban poor is in the construction industry. The percentage of public labour force engaged in such construction labour in the urban areas is of the order of 5 to 10 percent in different cities. Programmes directly related to urban poor include the housing schemes for economically weaker sections, low income group housing sites and services programme, and the environmental improvement scheme for slum areas. Since its inception in 1952, the integrated subsidised housing scheme for low paid industrial workers and economically weaker sections of the community have had little impact, as upto 1982, it covered only 1.89 lakh houses with an estimated expenditure of Rs. 126.4 crores. LIG housing scheme which started in 1954 has completed 3.43 lakh units during the same period with an estimated expenditure of Rs. 240 crores. The slum clearance and environmental improvement schemes (started in 1956) has completed 1.24 lakh units only. On the other hand the complementary scheme for the rural poor in terms of village house scheme, started in 1957, has completed 71,750 units, and the provision of house site for landless workers in rural areas has covered about 1 million households in rural areas. From these figures it is amply evident that the present programmes aimed at the disadvantaged section of urban India have nibbled at the periphery of the issues. There is therefore imperative need to distinctly work out the urban problems posed by the urban poor in our country. With more than 50 percent of the population belonging to urban poor in the country, there is a need for policy imperative.

1. To curb the enormous increase of urban poor in the urban areas by organising more employment opportunities through innovative programmes.
2. A bold thrust to meet the challenge of slum and squatter settlement developments which have defied even the western countries. This challenge be met by a holistic understanding of the present organic growth of shelters by disadvantaged sections of the society. For example 80 to 90 percent of the shelters (houses) built by the slum and squatter settlements residents are from discarded materials and almost at zero costs. It may not appear as a shelter to elitists with modern outlook with respect to construction technology and the materials used. But it still provides a sort of protection and privacy to the builder. It, therefore, behoves that our programmes for slum improvements, and sites and services schemes should be de novo a fresh in order to incorporate some of the present cost and energy parameters involved in the organic growth of slums. Only then housing or environmental improvement of slum and squatter settlements would be meaningful.
3. Provision and availability of land for the development of urban poor is a costly venture, especially with all infrastructure and land development facilities. The present approach of development in scope and magnitude should be tempered with low cost technologies and use of alternative sources of energies in order to cut costs and to be within the reach of the majority of the urban poor themselves.





NATIONAL SEMINAR  
ON  
DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

Paper on  
LOCAL INSTITUTIONAL FRAMEWORK FOR PROGRAMME IMPLEMENTATION

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## LOCAL INSTITUTIONAL FRAMEWORK FOR PROGRAMME IMPLEMENTATION

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### Introduction

The Seventh Plan estimates that nearly 60 per cent of the addition to population between 1985 and the year 2000 will be in urban areas. Out of a net addition of 76 million people during 1986-91, the share of rural and urban areas will be equal at 38 million each; thereafter, the share of <sup>the</sup> former will go on declining despite its very large population base. If agriculture production and industrialisation pick up greater momentum than the growth witnessed during last decade or two, the share of urban population in the net addition will be more than the above estimates. The absolute magnitude of growth of urban population in the country is going to be staggering in the near future despite the fact that about two-thirds of the Indians would still be living in rural areas. It is also anticipated that there will be large scale migration to urban areas in coming decades. Considering that this migration is primarily of rural poor and that much of the increase in urban population, as in past, will continue to be accommodated in the existing

urban settlements, the consequent greater density of urban population with an increasing proportion of poor, is likely to alter in a substantial way the socio-economic and physical profile of urban areas, particularly the larger cities.

Over last three decades, we have gradually but steadily accepted the inevitability of the growth of slums and squatter settlements on the urban scene. That sensational description by our the then Prime Minister, Pandit Nehru in 1953 about inhuman conditions and deprivations under which slum dwellers lived which shook the government and evoked the liberal conscience of the law-makers to pass Slum Areas Act to prevent the growth of slums and also to the launching of centrally sponsored scheme in order to provide tenements which could cater to the shelter as well as socio-psychological needs of the poor as human beings, does no longer appear to be relevant. We are gradually moving to the next stage of accepting pavement dwellers as inevitable. The rapid growth of slums and squatter settlements has numbed our senses, and state benevolence now seems to be confined to finding ways and means of extending minimum level of certain basic services necessary for survival of the poor perhaps for voting and

providing cheap labour to the urban economy. Both considerations have very narrow and limited perspective. If we consider the indirect socio-economic and political cost as a consequence of these limited perspective in the long run, it may perhaps be found that we are spending more to control urban crisis than will be necessary to reduce it by directly dealing with the problem of economic growth with social equity.

There is no doubt that macro policies at central and state government levels having decisive influence on determining the extent of economic growth with social equity and consequently the pattern of growth of urban settlements of varying sizes, will either aggravate or mitigate the urban crisis. Equally important however will be the viability of local level institutional framework to deal with the crisis important as well. Our institutional framework for urban management has, by and large, ignored the issues of equity and in the process neglected the basic services and shelter needs of the urban poor. We need to critically evaluate our approaches to planning, financing, organisation and management of our cities and towns, particularly in regard to provision of economic and social services, housing and municipal services.



Condition of Urban Services and the Prospects for the Poor

It is generally accepted that greater the density of population, more crucial is the need for a minimum of basic services for survival and healthy existence in urban settlements. On the other-hand, the Seventh Plan categorically stated that 'Urban Services have deteriorated over the years and there seems no sign of reversal' and 'the state of most urban areas in this respect is far from satisfactory; in fact the picture is extremely bad. Over-crowded and under-serviced, an increasing proportion and the area of urban conglomerations are being turned into slums.' Similar observations on the trends towards decline in standards of urban services, and housing due to rapid urban population growth have been made by each successive five year plan since the Third Plan in 1961. Under the conditions of growing deficiencies in urban services, the access of the poor is further reduced because of the inequitable distribution of these services. It has been pointed out that despite greater availability of services, the plight of urban poor is more miserable than his counterpart in rural areas. His health status is worse than that of the rural poor and it adversely

affects his social, economic and psychological well-being. The emerging picture of the larger cities is that those who have the maximum criticality of the need have the least access to these services. What has been the strategies to augment these services and how have they helped in improving the access to urban poor? These questions are very important. Equally important, however, is the issue of institutional setting of the implementation of these strategies.

Municipal Governments and the Services for Urban Poor

Traditionally, municipal governments in India have been providing urban basic services which include supply of drinking water, sanitation and conservancy services, street-lighting, construction and maintenance of streets, local roads, drains, sewers etc. Moreover, its regulatory functions, in order to ensure public health and safety, govern the building activity (and thus the shelter) and the informal sector in which most of the urban poor find their means of livelihood. What is the state of our municipal governments? How far has the access of the poor to municipal services been affected? What are the changes in organisation and processes

necessary to improve the access? There are important implementation policy issues which are crucial to the design of service delivery system for the poor.

Ever since 1961, the emphasis of the plans has been that urban development should be self-financing. Even the Seventh Plan admitted that the 'resources for urban development are very limited and will continue to be so in the foreseeable future.....'

The main thrust of policy recommendations has been that urban land may be used as a resource and municipal governments should be strengthened to provide urban basic services. The Seventh Plan reiterated the emphasis on revitalisation of civic bodies by improving their finances and administrative capacity. It observed that 'the restoration of health of local bodies is the pre-requisite for efficient management of our towns and cities'.

It further indicated the specific course of action when it pointed out that 'the strategy of urban development would include a package of measures to strengthen the capability of local bodies comprising the restoration of popular government, structural reform, improvement in general and financial administration and reform of the tax system'.

These recommendations are not much different from those in the Third Plan and onwards and yet, after a lapse of 25 years, it observed that 'municipal bodies are not able to play their due part in providing the needed services to urban dwellers and in developing urban infrastructure commensurate with the growth of urban population. They are politically, administratively and financially in a weak condition.' Apparently, anticipated basic municipal reforms have not been carried out by the state governments. Our plans have provided analysis of urban problems and identification of policy issues at the macro level, but seems to have little capacity to induce the state governments to decide the implementation policy issues and carry out reforms necessary for execution of policies recommended at the national level.

Resource allocation strategy under the plans seems to have also weakened, instead of strengthening the local government institution. In terms of resource allocation, the plan assistance has expanded the scope of institutional financing of urban infrastructural and municipal services. The basis of assistance has continued to be loans (except in the

case of Environmental Improvement of Slums Scheme) and the way loans have been used and recovered, has far reaching consequences for development of urban local governments and the access of the urban poor to urban services.

The special purpose bodies like drinking water boards, drainage/sewerage boards, electricity boards, etc. were set up by the state governments by taking away what were essentially local functions from municipal governments. These organisations depend upon the state financial support and loans available through financial institutions or under plan schemes. Their involvement in distribution of services in urban areas has reduced the ability of the local people to influence the decisions in favour of local needs and priorities. Apart from that, the problems of inter-agency coordination have increased and become far more complex than the capacity of the city managers to resolve them effectively. Moreover, the convergence of urban basic services to cater to the needs of urban poor living in slums and squatter settlements has become more difficult.

One of the outcome of the self-financing urban development strategy has been the emergence of city development authorities to replicate the DDA's approach.



None of them has the support base as that of DDA and yet it has been their endeavour to expand the seed-money. In the process, they have become like DDA, essentially colonisers and real estate **developers**. Their goal displacement in the process of improving their financing by converting land development and disposal as a commercial activity has become quite evident. Consequences have been two-folds. First, the segregation of development functions from municipal functions and maintenance responsibilities has not only robbed the nation of the opportunity of strengthening the local governments, but also substantially weakened them. At many places, municipal governments have been inflicted a mortal blow of supersession in order to subserve the working of the city development authorities. The city of Jaipur with a population of one million plus has been given Jaipur Development Authority, but its municipal council, which has remained under supersession for years has not been upgraded to the status of a municipal corporation. The urban poor have the least voice in the activities of these development authorities who are accountable, not to the local people, but to the state government. Secondly, their land related

commercial activities, often using the sovereign powers of the state in land acquisition at lower prices, have created a situation wherein the economically weaker sections and even LIGs are increasingly being priced out of land market and thus from access to housing and urban services. The only mechanism of improving their access is the local cross-subsidy, which in turn further push up the difference between the market price and subsidised price, and thus reduce the scope of the coverage. Often, such subsidies do not reach the target groups amongst the poor and these are eventually availed of by the higher income groups.

One of the basic assumption in the expansion of institutional financing infrastructure for lending to the municipal governments for augmentation of municipal services is that they have the capacity, and therefore they will mobilise the local resources to pay back the loans. Given the existing state of municipal finances and their tax powers and base, how many of the urban local governments can live upto this assumption? Except for Kerala, M.P., Gujarat and West Bengal where the state governments have made positive efforts to strengthen the municipal

finances, the loan assistance under the plan schemes has only increased their dependancy on the state government and has perpetuated the default conditions for supersession.

If we recognise that urban local governments are best suited to provide urban services essentially of local in character, and the needs of the urban poor should be best met within this institutional framework, then they must be strengthened. In fact, a number of our cities have already crossed a million population size and yet we are continuing with municipal corporation model designed about a century ago. Unless there are drastic reforms in the structure, functions, powers and resources of the urban local governments, their capacity to become viable institutions for effective urban management will not develop. Metropolitan cities which accounted for 27 per cent of total urban population of the country in 1981, and where the plight of the urban poor is miserable and is becoming worse, need to come out of the municipalisation of their local government.

Institutional Setting of Urban Community Development

Urban Community development (UCD) has long been advocated as very necessary to deal with urban problems directly related to the poor. It rests on the basic assumption that the community participation not only increases civic consciousness, but also promotes self-help, innovative and inexpensive approaches to the provision of shelter and urban basic services and the cost recovery thereof. The Seventh Plan stated that 'the delivery of basic public services to every one is simply not possible without such an approach.' It observed that 'slum improvement, sanitation, garbage removal etc. can be organised and even paid for at the community level.' Success of the UCD approach in case of a couple of cities, most notably in Hyderabad, though limited, has convincingly demonstrated its enormous advantages over the conventional approach of the administrative machinery of the government. It has confirmed the faith of the policy-makers and planners at the national level that it must be extended.

Based on UCD approach, the UBS programme launched during the Seventh Plan in collaboration with UNICEF, seeks to devise a community-based system and process of delivery of urban basic services in slum areas of selected towns and cities. Community participation in determining its needs and priorities is the basis through which convergence of urban basic services provided by various state government departments and agencies and non-government organisation is secured.

With the exception of MMDA where UCD became an integral part of the World Bank Project, city development authorities have not generally been receptive to the UCD approach. They may proudly state their achievements in developing new residential colonies, commercial complexes and other prestigious projects and make even references to **house** for EWS, but rarely UCD is felt by them to be necessary as one of the means of achieving their objectives. DDA extends basic amenities to 1.2 million dwellers of its resettlement colonies at a cost of more than Rs.250 million per annum, with <sup>a poor record of</sup> ~~not~~ recovering even a nominal <sup>licence fee</sup> ~~amount~~ service charges of Rs. ~~200~~ 800 per month per household. Yet it has not made any

attempt of adopting UCD approach in provision of basic services. In fact, many of the government agencies do not lend even support to voluntary organisations which may like to mobilise the urban poor. It is inconceivable how without such mobilisation, community participation and development can take place.

The basic institutional setting for UCD project, and now UBS Programme, has continued to be municipal government. The logic appears to be that being a representative body of the local people and providing services basic to living in urban areas, their functions and activities are more suitable for urban community development. While no critical evaluation has been carried out of the UCD projects to identify factors associated with its success or failure, it does seem however that commitment of the government, both state as well as local, and that of the officials is a pre-requisit. UCD requires the capacity of the local government to secure convergence of services from the state government agencies to respond to the articulated needs of the community. Since inter-organisational relations at the field levels are heavily influenced by the status of officials conceived in hierarchical terms, both within the service



and services inter-se, the low status of local governments and its officials does not lend them the capacity to secure coordination. Often the measures to improve the coordination at the local level have reduced the local autonomy. Supersession followed by the appointment of an administrator or appointment of project coordinator outside the municipal administration, as in the case of UBS programme, represent the kind of responses of the government to improve the implementation of programmes and schemes at the local level.

Community mobilisation <sup>by</sup> the UCD Department Cell within the municipal governments seems to create pressures on the other agencies of government. If securing of tenurial rights by the slum dwellers is the priority and also crucial to the improve the access to and availability of urban services, and if granting of such rights is with the city development authority, community mobilisation will lead to conflicts between the two authorities. Often the more powerful will prevail. Municipal governments in this context will be weak, ~~more~~ so when it is not an elected body.

Within municipal government, the UCD efforts tend to face two major difficulties. First, it tends to be perceived by elected representatives as a threat to their support base if objectives of political and community leaders are not congruent. If they are congruent, the politicisation of development activities tends to be articulating demands on government with greater vigour. The level of sophistication in the political and administrative process to maintain the distinction between the two set of objectives, is rather low. Secondly, there is a greater tendency to excessively bureaucratised the UCD activities. While lamenting the abandonment of the rural community development programmes, the Fourth Plan (1969-74) observed that 'community development programmes which were initially considered as main instruments of rural transformation were found to be too official oriented.' In fact, even limited public participation is often conceived by the bureaucracy in terms of legitimising the government programmes and schemes determined at higher levels. The UCD approach requires distinctly different skills and abilities than those which are available within state or municipal governments.

The dominant culture of public bureaucracy in India being non-participative does not provide sufficient scope for their development and relevance to the administrative style and functions. Special attention shall have to be paid to these aspects if the UCD based programmes and schemes are to succeed.

### Conclusion

Rapid growth of urban population and mounting deficiencies in urban basic services are creating miserable conditions under which the urban poor live. Segregation of the poor as a consequence of our physical planning approach to 'cities' development has, prevented their socio-economic integration. Furthermore, it has generally reduced poor's access to and availability of urban services.

Augmentation of services and their equitable distribution can best be obtained within the framework of urban local governments. Their local accountability can ensure that the urban poor can be mobilised and articulated to influence resource allocation decisions in their favour. Alternative institutions such as city development authorities or special purpose bodies or agencies of state government providing local services being accountable to higher levels of authority, are consequently less amenable to the local pressures.

They tend to be, therefore, less responsive to local needs and priorities of the poor. Advantages of decentralisation for development have been highlighted in almost all our five year plans. Ever since 1951, the Plans have stressed the need for reforms in municipal governments so that they could take up the main burden of urban development and provision of municipal services. Unfortunately, their weaknesses due to neglect have become more glaring. The pattern of resource allocation under the five year plans appears to have aggravated their weaknesses and increased their dependency on the state governments.

There is an urgent need to look at the needs of the metropolitan cities to have new types of local government institutions for better urban management. The fragmentation of development functions, maintenance responsibilities and urban services by scattering them amongst various agencies, each accountable to the state government, will not lead to integrated urban development and management at the local level. Strong and powerful urban local government can better secure convergence of services for urban poor than weak municipal governments.

The need for community participation in provision of shelter and basic urban services have often been stressed by policy-makers and planners at the higher levels of government. The basic strategy of the UBS programme during the Seventh Plan rests on the community participation and development. Serious efforts are required to make it an integral part of the formulation and implementation of development programmes for the urban poor, if the strategy is to promote self-help and innovations in provision of shelter and urban basic services, employment generation, skill upgradation at a cost which can permit wider coverage.

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NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

POLITICAL ECONOMY OF URBAN PROPERTY  
- The Genesis and the Way out -

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## POLITICAL ECONOMY OF URBAN PROPERTY

- The genesis and the way out -

by Prof. Shafeeq Naqvi\*

Even official statistics, which are usually found to be gross underestimate, the poor constituted 28.1 per cent of the total urban population in 1983-84.<sup>1</sup>

This means that more than one fourth of the urban population lived below poverty line, some two years ago, when the National Sample Survey's quinquennial enquiry was conducted and provisional figures were made available. It is certainly not a matter of pride that more than one fourth of our urban population should be condemned to live below poverty line even after almost four decades of independence. In fact, even if we accept this provisional figure for the urban centres as a whole, in the midst of metropolitan cities, with sprawling slums whose number is constantly increasing and where the poor constitute between 40 to 50 per cent of the population, it would be seen that the alleged decline in the urban population below the poverty line is more than "compensated" by phenomenal increase in the number and proportion of the poor subsisting in the metropolitan cities. Thus, according to 1981 Census no more than 6 metropolitan cities, with a population of 31 million, were found to have more than one third of their population living in slums, whose number stood at 12.5 million. And the urban poor by no means live in slums alone and are found scattered in all nooks and corners of the city specially dilapidated, tumbledowns, forced to pay exorbitant rent and constituting the main victims of collapse of these houses. These consist of underpaid and or casual factory workers and those engaged in a host of extremely low income occupations in both formal and informal sectors and working for government or private agencies, etc.

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It goes without saying that there is a clear nexus between the continued increase in the number of urban poor and mass ejection of the rural poor from their only means of livelihood, that is agricultural land, and the ruin of cottage and small industries in the village and small and medium towns, caused by loss of market for their product as a result of growing rural-poverty fall in demand and competition from organised industry, besides inability to secure raw material in adequate quantity at appropriate time and for reasonable prices.

Another factor contributing substantially to urban poverty is the staggering phenomenon of unemployment and under-employment with the prices of essential commodities popularly called wage goods constantly rising depressing further the living standard of the low income earning segments of the society. Almost every study of urban households reveals sharp rise in the level of indebtedness of the urban poor. It may be mentioned that with all the grant of dearness allowance to those employed in the organised sector, government or private, the quantum granted is invariably inadequate to compensate for the rise of the cost of living and comes long after the low income people had already gone periods of sufferings, forcing them to incur heavy debts.

Housing, potable water and civic and cultural facilities and medical services awefully lacking for the urban poor in the areas where they live. They are subject to health hazards of every conceivable kind, with high infant mortality and deaths of women in child-birth. Atmospheric pollution, malnutrition and undernourishment and miserable living conditions provide easy victims to diseases like malaria, gastro-entritis, tuberculosis, etc.

All in all, the life of the urban poor house-holder and his women folk and children present a frightening picture and it behoves the rest of the urban population to appreciate that unless appropriate and adequate measures of a radical nature

are adopted be times and resolutely implemented, disease and disaster and social tensions would engulf entire urban population including the smug middle classes, intellectuals and the affluent.

It should be apparant that a situation regarding urban poverty calls for urgent changes in both the rural and urban sectors. In the rural sector there is need for genuine efforts at completing the land reforms, which should ensure that only the tillers would have a right to own land, land ceiling should be strictly enforced and the landless and those ejected from the land should receive land for cultivation. Remunerative prices and procurement by the government agencies should be operated in such a manner that the small and marginal farmer gets the benefit and is not forced to sell his crops at the throw-away prices, to the money lender, private trader and the rural rich.

Sale and mortgage of land should be completely banned and land should become state property with tillers being given the land on perpetual lease.

Cooperative credit facilities under the aegis of nationalised banks should be written off except in the case of small amounts, on which where necessary moratorium should be granted.

Provision of productive equipment, electricity, cement, steel etc. and irrigation facilities specially small and medium irrigation and encouragement of development of processing agricultural and the industrial use of by-products and popularisation of horticulture and forestry and diversification of productivities activities through development of fisheries, poultry, milch and other animal farming and revival of cottage industries like textile etc., are measures which would help in generating employment and income of the rural toilers and making them viable.

And for all this the organisations of local small and marginal farmers and agricultural labourers should be the instrument of decision making implementation, monitoring and evaluation.

Along with these measures provision should be made for supply of potable water, medical facilities, schools and technical training centres and programmes for construction of decent housing for all at economical cost with the use mainly of local material and supply of non-local material at reasonable prices in adequate quantity.

It would be appreciated that these measures in the rural sector would not merely increase national income, more food grains, milk and fruits etc. for the country, and make rural life richer and more attractive but would also reduce substantially the migration to the cities and prevent massive addition to the number of urban poor.

Small towns should be helped to revive their small and cottage industries to provide viable occupations and gainful employment to their population and thus reduce the outflow of their manpower.

Adverting to the urban sector, two measures are immediately called for: (i) constitutional guarantee of jobs for all and unemployment and underemployment allowance to those affected by total or partial loss of their source of income and (ii) nationalisation of all urban land and rural land in the vicinity of the cities and a massive programme of construction of houses to provide decent accommodation for entire urban population, anticipating the natural growth of local population and migration.

This, along with the reconstruction and reconditioning of the dilapidated houses and the provision of elementary civic and cultural facilities and health services in such a manner



that each zone of a city gradually becomes self-contained in terms of essential services, within easy access to the residence.

It should be made obligatory on the part of the government and private sector employers in factories, offices, schools, colleges, etc. to provide decent housing facilities to every one of their employees at low rent with adequate civic facilities especially regarding drinking water, sanitation and medical services, etc. and in this respect the employees and their trade unions should be given an active share in regard to the decisions and their implementation.

This naturally calls for a complete and immediate ban on construction of luxury apartments and fancy buildings and a requisition of all vacant land including those in the premises of official and private bungalows, etc. A scrupulous inventory of vacant and partially occupied buildings should be undertaken and available accommodation be allotted to the homeless on reasonable rent.

It is evident that the urban poor as well as the middle income segment of the population should be enabled to acquire an active role and authority in regard to the revamping of the city structure and the implementation and monitoring of the decisions through proportional representation in the Zonal Councils and the city corporations and development authorities.

It would be obvious that what we are suggesting here are certain partial measures howsoever radical they may sound, which would do no more than act as temporary palliatives, since under the market economy and the capitalist system that operates in our country, whatever rights and privileges are given to the poor, are bound to be disrupted under the laws of the market reverting people to the old miserable conditions sooner or later. Of course the basic solution lies in the solid economic transformation of the system itself whose processes

have a dynamics and logic of their own and which would take its own course, as had happened in the countries which have adopted a socialist system and not the much vaunted "socialistic pattern of society" and which under the name of mixed economy with a public sector segment is dominated by capitalists and land-lords, shared more and more by the multinationals. However, even for the implementation of the reforms suggested, in the desired manner, strict, active and constant vigilance by the organisations of the urban and rural poor and other democratic elements is a sine quo non.

Table I

Distribution of Urban Population among Different size Classes of Towns

Sl.No.	Town classification	Number of towns	Population in million	Percentage of population	Annual rate of growth 1971-81
1.	Class I (1 lakh & above)	216	94.34	60.4 (56.2)	4.60 (4.32)
2.	Class II (50,000 to 99,999)	270	18.12	11.6 (11.2)	4.22 (3.49)
3.	Class III (20,000 to 49,999)	739	22.50	14.4 (16.3)	2.53 (2.60)
4.	Class IV (10,000 to 19,999)	1048	14.84	9.5 (11.2)	2.10 (1.74)
5.	Class V (5,000 to 9,999)	742	5.62	3.6 (4.6)	1.45 (-1.09)
6.	Class VI (less than 5000)	230	0.78	0.5 (0.5)	1.86 (-2.18)
Total		3245	156.20	100.0	3.86 (3.27)

Notes: 1. The latest data available from the Registrar General's Office place urban population at 160 million. The break-up of this by size classes of towns is, however, not available.

2. Figures in brackets are for 1971.

Source: The Seventh Five Year Plan, Vol.II, Planning Commission, 1985, New Delhi, p.297.

Table-II

Trends in Percentage of People Below Poverty Line

Percentage of population below the poverty line	1977-78	1983-84 (Provisional data)
Rural	51.2	40.4
Urban	38.2	28.1
	48.3	37.4

Source: The Seventh Five Year Plan Vol-I  
Planning Commission 1985 p.4.

Table-III

POPULATION GROWTH RATE OF SELECTED CITIES OF INDIA  
FROM 1921-1981

City	Total pop. 1981 (000)	Density of Pop. 1981 'Km.)	Decade variation in percentage					
			1921 -31	1931 -41	1941 -51	1951 -61	1961 -71	1971 -81
Ahmedabad	2,516	14058	14.52	89.68	47.70	37.46	44.40	44.38
Bombay	8,202	13640	1.88	32.94	75.96	39.95	43.80	37.70
Calcutta	9,165	12364	13.78	69.91	28.26	25.01	22.57	27.83
Delhi	5,227	8172	46.98	55.18	106.50	64.15	54.57	56.66
Kanpur	1,685	4266	12.62	99.82	40.75	37.66	91.32	32.39
Madras	4,276	5972	23.46	20.12	65.78	26.08	63.02	34.48

Source: census of India, 1981.

Reproduced from a paper by P.Nag  
and V.K. Kumar.

Table-IV

ESTIMATES OF HOUSING STOCK AND HOUSING  
SHORTAGE IN INDIA

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Particulars	1985			1990		
	Rural	Urban	Total	Rural	Urban	Total
1. Number of households	103.3	32.2	135.4	115.7	36.0	151.7
2. Housing Stock						
a) Pucca	17.9	19.3	37.2	19.8	21.4	41.2
b) Semi Pucca	35.5	7.0	42.5	39.2	7.7	46.9
c) Serviceable Kutchha	31.1	0.5	31.6	34.4	0.5	34.9
d) Unserviceable Kutchha	10.7	2.9	13.6	11.9	3.2	15.1
Total Housing Stock (a+b+c+d) -	95.2	29.7	124.91	105.03	32.81	137.84
3. Unserviceable Housing Stock	884.5	26.3	910.8	93.4	29.1	122.5
4. Housing shortage (1.3)	18.8	5.9	24.7	22.3	6.9	29.2

Reproduced from a paper by Dr. (Mrs.) R.K. Arora

Table-V

ESTIMATED HOUSING INVESTMENT-PLANWISE

Sl.No.	Scheme	First plan	Second plan	Third Plan	3 Annual Plans	Four th plan	Fifth plan
1.	Planned Expenditure on Housing	48	80	110	80	141	494
2.	Total Expenditure on Public Housing	250	300	425	250	625	795
3.	Private Sector	900	1000	1125	900	2175	3640

Source: Planning Commission, Government of India Draft Sixth  
Five Year Plan 1978-83(1978)

Reproduced from a paper by  
Dr.(Mrs. R.K. Arora

Table-VI

SHOWING PERSONS LIVING IN SLUMS AND SINGLE  
ROOM DWELLINGS IN SELECTED CITIES OF INDIA(1980)

City	Percentage of Population living in single room	Population living in slum(in millions)
Ahmedabad	-	0.41
Bombay	77.6	4.50
Calcutta	64.8	3.60
Delhi	58.0	1.50
Kanpur	61.9	0.53
Madras	48.4	0.91

Source: Based on Information collected from concerned  
Development Authorities.

Reproduced from a paper by P.Nag  
and V.K. Kumar.



Table - VII

INCIDENCE OF MALARIA CASES IN SELECTED CITIES

city	1978	1979	1980
Ahmedabad	26,785	30506	29,711
Bombay	2,635	1,605	2,725+
Calcutta	1,244	2,342	3,247+
Delhi	3,32,682	75,625	53,536
Kanpur	N/A	2,820	3,650
Madras	29,453	33,463	36,193

+ Incomplete Information.

Source: Health Statistics of India, 1981, Ministry of  
Health and Family Planning, New Delhi, India.

Reproduced from a paper by P.Nag & V.K. Kumar

JOSHI-ADHIKARI INSTITUTE OF SOCIAL STUDIES

National Seminar on Urbanisation, Growth of Slums  
Social Conflict and Environmental Hazards

CHARTER OF DEMANDS

Assembled at this National Seminar on "Urbanisation, Growth of Slums, Social Conflict and Environmental Hazards", we social scientists, trade union, political and voluntary - - organisation activists and slum dwellers, are deeply concerned about the way our urban centres have-become mass breeding grounds of slums and slum-like settlements-where millions upon millions of labouring people are forced to live under inhuman conditions-without proper jobs, shelter, sanitation and other-basic amenities for human existence, though these are the people who contribute most to the urban-society and-economy. We acknowledge-the struggles which the slum dwellers, aided and helped by trade unions, voluntary organisations and other social forces are fighting for the right to livelihood and shelter. This is an inalienable part of the democratic movement in the country-and we extend our general support to them. We are also aware that reactionary forces try to take advantage of-their frustration, to use sections of them for disrupting democratic movements and united struggles of toiling people.

We are deeply concerned about the way, under-various - - pretexts, be it in the name of urban development or on the plea of environmental protection and beautification, -these labouring people-are being thrown out of-their meagre shelters or-driven out of the areas where they somehow - managed to earn their living, without proper alternative arrangements for their shelter and livelihood.

There may be some differences about the factors which inexorably multiply slums in our urban centres or on the final way out of the dilemma, we are of one opinion that the dehumanising environment in which the majority of urban dwellers in our country are forced to live, demand concerted efforts of all of us - planners, administrators, politicians intellectuals, trade unions, activists in political, voluntary and social organisations and above all the slum dwellers and the labouring poor in urban centres - so that this problem is solved in the interest of the teeming urban majority and for a proper balanced urban development in our country.

We have noted that housing for all is not an unrealistic dream but a problem which is being solved by countries under a different socio-economic system.

Towards this end we adopt this charter. We are convinced that the adoption of the charter is not an end itself. It would require popularisation on the widest possible scale of the demands incorporated in the charter so that concerted actions can develop in all parts of the country leading to mass petitions to the nation's Parliament.

Let this charter be our humble contribution in the International Year of Shelter for the Homeless declared by the United Nations (1987).

#### C H A R T E R

1. Housing along with the right to work and food must be accepted as a fundamental legal and social right of every Indian citizen.
2. Law should guarantee that employers, whether private or public, must provide housing facilities to their employees close to their places of work and at affordable rents.

3. There should be strict enforcement of the existing urban land ceiling laws and enactment of others in order to prevent speculation and black-market in urban land.
4. Land on which slum exists, privately owned land above ceiling and vacant land must be taken by the state and utilised for shelter and service in an environment of human dignity.
5. Increased state aid supported by central contribution for self-housing and cooperative housing for the urban poor, particularly by the homeless and the slum dwellers, should be guaranteed. Municipal Corporations must mobilise resources and obtain state aid for providing healthy shelter to the self-employed-poor and low-earning workers in the informal sector, at low rent.
6. Control over prices and distribution of conventional housing material are to be ensured., research and production of suitable cheaper materials-based on local resources are to be made available to the poorer sections of the people.
7. Hijacking of rent of urban shelters-must be prevented with the help of legal provisions in existence and to be enacted. Violation of such provisions should be made punishable by-law. Dilapidated houses, dangerous to the occupants, whose owners refuse to renovate, should be renovated by the state, the expenses for which are to be charged to the-owners. Laws already existing in this direction should be strictly implemented.
8. Evictions in the name of slum clearance or clearance of squatters and pavement dwellers for urban development should be stopped forthwith. No eviction can be made-without providing permanent alternative shelters suited to the trade and occupation of the people affected, due to any public-scheme identified as essential to civic infrastructural development. Police repression on slum dwellers, squatters and pavement dwellers must cease.

9. Basic civic amenities like sanitation, health, education and recreation is the right of all citizens. It is the duty of the state and municipal bodies to take immediate measures to guarantee a healthy habitat to all within urban areas, particularly to the under-privileged.

10. Right to the safe environment must be recognised. It should be the responsibility of municipalities and local authorities to annually survey all sources of environmental hazards and to ensure safety of both workers and citizens.

11. Ration cards and the right to vote are to be guaranteed to all citizens of urban areas irrespective of their places of living. The Census should include all categories of shanty dwellers.

12. Repeal all clauses in the existing town-planning and other Acts which are aimed at curbing the rights of labouring people living and working in urban areas, and all provisions of laws which seek to make squatting and so-called unauthorised occupation a cognisable offence. Plug the holes in laws which are utilised by vested interests, in collusion with the state, for depriving the shelterness of what was meant to be their due.

13. Developmental agencies should be democratised and planning programme widely published with the aim of soliciting ideas and active participation of non-official organisations in urban planning processes of the labouring city people who constitute the overwhelming majority urban dwellers in our country.

14. The demand for housing should be integrated with other basic demands in the organised labour movement.

15. Cottage industries and self-employment should be integrated under urban community development programmes to be introduced among the city poor based on their residences.

16. Revitalisation of economic activities in urban areas with the aim to create job for all constitutes the one of the basic pre-conditions for solving the problem of shelter for the urban poor.

17. Agrarian reform measures, abandoned in most states of the country and substituted by what goes in the name of 'green revolution strategy' have to be vigorously pursued in order to bring about basic transformation in rural economy. Immediate steps should be taken for the implementation of the ceiling, tenancy, homestead and other land reform laws after plugging the existing loopholes. for the abolition of the bonded labour system, abrogation of all usurious debts owned by the peasants, agricultural labourers and rural artisans for adequate wages to agricultural labourers and jobs for them all round the year, quick and adequate measures against natural calamities, shelter for everyone and provision of minimum amenities for education and culture. Development programmes for the countryside should aim at the fullest use of the economic potential of our rural areas with the help of a gigantic man-power resource that our country fortunately possesses.

We are convinced that such a task calls for a massive united countrywide movement in which people living in urban areas and in the countryside, slum dwellers, organisations and all others who share these view to join hands to eradicate from our cities this shameful manifestation of utter human degradation.

19th January, 1987

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NATIONAL SEMINAR  
ON  
DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
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URBAN POVERTY IN THE CMA AND THE CUDP

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## URBAN POVERTY IN THE CMA AND THE CUDP

- Kalyan Roy

### 1.0 INTRODUCTION

The phenomenon of poverty, in general, has lived up through history. In recent times, urban poverty has been found to be widely pervasive in the developing countries. The concept of poverty is closely linked to the phenomenon of inequality. The so-called "Poverty-line" may be defined with respect to accepted minimum standard of living, which is influenced by average income level. Therefore, given the average income or consumption level, a higher level of inequality will tend to be associated with higher level of poverty. For a successful attack on poverty, growth and reduction in inequality are both indispensable. Unemployment or underemployment being one of the major factors explaining inequal distribution in income or consumption needs to be properly tackled. Thus, the urban poverty is characterised by the above features as far as they relate to urban areas. However, the best studies that have been undertaken in India on poverty and inequality have neglected to either define or measure urban poverty.

### 2.0 PROFILE OF URBAN POVERTY IN THE CMA:

The Calcutta Metropolitan Area (CMA) is the largest urban agglomeration in India with a population of more than 10 millions<sup>1</sup>, covering an area of 1350 sq.km comprised in municipal and non-municipal urban and rural areas. For long, the CMA enjoyed a pride of place in the Eastern India as well as the country with respect to key economic indicators. It served as the economic capital of Eastern India. In course

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1. It accounts for about 70% of the urban population of the state of West Bengal.

\* Mr. Roy is a Dy. Director (AME) in the Calcutta Metropolitan Development Authority (CMDA), Calcutta. He acknowledges with thanks the encouragement and guidance received from Dr. N. V. Jagannathan, Secretary, CMDA towards writing this paper. However, the author is solely responsible for the contents of the paper, including errors and omissions therein.

of decades, the CMA received a large number of migrants, labours particularly, from neighbouring states and villages in search of employment opportunities. Besides, the CMA had to absorb large influx of refugees from neighbouring countries on different occasions, induced by non-economic factors, primarily.

However, the pre-eminence of the CMA started to slide gradually since the mid-sixties, when it was severely hit by countrywide economic recession, leading to widespread closure of industries, of which the CMA has had a very large base.<sup>2</sup> retrenchment lay-offs etc. The economic downturn affected particularly the blue-collar workers adversely. Incidence of urban poverty coupled with inequality became glaring in the CMA.

The incidence of urban poverty in the CMA can be looked at through different manifestations of itself, some of which are as follows:-

i) Poverty can be defined with respect to the level of income. Also, inequality in income distribution is closely associated with poverty. However, data on urban income or distribution thereof have been scanty. Therefore, to look at urban poverty from the standpoint of income - either per capita or monthly household - is not a sound proposition. However, in the CMDA, attempt was made to define the income distribution. The Perspective Plan and Action Programme, prepared by the CMDA in 1981, estimated that during the seventies the per-capita income at constant prices not only was low compared to other societies, but also registered an increase of 1.5% per annum, on average. The pinch of low per-capita income and a slow rate of increase

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<sup>2</sup> More than 80% of both the state's number of organised industries and employment therein are located within the CMA.

in the same, was found to be aggravated by a skewed distribution of income, with 45% of the households in the CMA belonging to the Economically Weaker Section (EWS), having monthly income, on an average, between Rs.150/- and Rs-350/- and another 26% to the Low Income Group (LIG), with a monthly income between Rs.351/- and Rs-600/- Five per cent of the CMA households had a monthly income of more than Rs.1500/- Hence, more than 70% of CMA households have a poor economic background. Again, the EWS can be called the urban poor with income levels below average. This compares very well with the estimate in one of the recent studies on urban poverty in urban West Bengal.

ii) Another angle from which the urban poverty can be looked at is the percentage of people having consumption level below the average. By either P-measure, as defined by Amartya Sen or H-measure (Head count measure), the well-known indices of urban poverty, the surrounding areas in the district of 24-parganas, Refugee Colonies and Bustee of Calcutta city ranked very high, according to the Family Budget Survey of 1966-67. The percentage of population living below the poverty line, following the H-measure, for the areas were found to be 64.26%, 68.00% and 73.00% respectively. These areas being constituent sub-areas of the CMA reflected the extent of urban poverty in the CMA. Another interesting feature confirmed by the above set of data was that the Calcutta city witnessed abject poverty amidst affluence.

Even when Calcutta is compared to other metropolitan areas in India viz. Bombay, Delhi and Madras; the 32nd Round (July 1977 - June 1978) NSS data on consumption expenditure indicate that percentage of population enjoying less than average consumption is highest in the CMA as compared to the rest of metropolitan areas. Again, for the degree of inequality, the same set of data lead to a Gini-Co-efficient of 0.32 for the CMA, closely followed by Madras at 0.335. The value of the Gini-co-efficient for Bombay Delhi was 0.30 each.

iii) There have been attempts to define urban poverty in terms of Physical Quality of Life Index (PQLI). Prof. Jan Tibergon had defined the Physical Quality of Life Index in terms of longevity, child mortality, literacy and shelter. Subsequently, efforts of various researchers had led to broadening of the canvas in measuring the PQLI in terms of levels of availability of water supply, sanitation, educational facilities, power, health facilities and shelter by pucca house. The PQLI has, however, remained the preserve of researchers and has been practised very little by urban development practitioners. Anyway, there may not have been any attempt at measuring the PQLI for the either CMA or the eastern region but nobody would doubt the value of PQLI to be the lowest for eastern India. Even compared to the major metropolitan areas in India, the CMA, in all likelihood, would have the lowest PQLI. The first metropolitan level planning effort in India, that took place in the CMA during the early sixties following a massive outbreak of cholera coupled with break down in urban environment, brought into sharp focus the magnitude and dimension of the urban crisis in the CMA. In fact, the situation had attracted both national and international attention. One of the major manifestations of a low value of PQLI for the CMA is the existence of large number of bustee (slum) settlements in the CMA, the number of which had increased over time along with increase in the number of urban poor. About one third of the CMA's population lives in slum settlements; the said proportion increases to 40% in case of Calcutta City. The physical features of the slums may be defined as low-rise, high-density kutcha housing stock with poor ventilation, inadequacies of sewerage and potable water, irregular collection and disposal of human waste and garbage, dark lanes and extremely poor drainage. As a consequence, the slum dwellers are subjected to various health hazards. Lack of affordability of slum dwellers coupled with lack of interest for majority of migrant labourers and inadequate



attention of civic authorities towards development of slums have merely aggravated the process of deterioration of quality of life for slum dwellers. The deplorable environment in the slums also affect adversely the neighbourhood, however, well off the latter may be.

The general health situation in the CMA has been of particular concern and has engaged attention of public agencies and urban planners. A comprehensive Health and Socio-Economic survey carried out by the CMDA, in collaboration with the Indian Statistical Institute, during 1976-78, revealed that 62.3% of the CMA population suffered from one disease or other, with average number of days of illness per year per person computed at 146. The incidence of diseases was particularly high amongst the people in the age-group of 46(+) and also amongst people with poor economic background. The incidence of child mortality was also found to be relatively high and higher amongst slum dwellers. Death rate (per thousand) among children or less than 1 year was found to be 46.4 and among 1-3 age group 11.9.

Apart from deficiencies in civic services infrastructure, the uncomfortable health situation could be explained largely by malnutrition and under nourishment, for majority of the people in the CMA. The average deficiency in calorie intake was found to be nearly 20% for the CMA. The deficiency was higher in case of areas outside municipal towns. In general, the average food consumption by the CMA-population was found to be generally deficient in every respect, as compared to accepted standards.

iv) Poverty in urban areas is influenced largely by poverty in the hinterland. The process of urbanisation is often found to be accentuated by large-scale migration from rural to urban areas in search of employment opportunities. In fact, most of the cities in the world e.g. London, New York, Chichago, Tokyo, Karachi, Misco, etc. have grown more by migration than by natural increase. Calcutta was no exception to this phenomenon. But this is more true for younger cities than older ones. For the CMA,

although the contribution of natural growth has been found to be more than that of migration during the last three decades, the demographers argue that outflow of the older ones back to hometowns after retirement cause the net effect of in-and-out migration to be relatively low. The migrants, who continue to pour in, find out some vocations and earning opportunities or other in informal unorganised sector.

The informal-unorganised sector is a concomittant of urban poverty. The sector, though providing a large number of employment, opportunities, particularly to the migrants, witnesses, inter alia, low wage, insecurity of job, deplorable working environment. The migrant workers in the informal sector, however better off they may be in terms of having an absolute wage differentials coupled with better employment prospects, find themselves in relatively worse position compared to urban standards.

Although no census of informal sector activities exists, there is little doubt that the unorganised sector in the CMA has grown faster than organised one, with large number of employment accounted for by activities like retail trade including hawking and peddling, transport service including rickshaw and thela pulling, domestic services etc. Various studies have revealed that metropolitan Calcutta's informal sector is both labour market of last resort and enormous reservoir of productive skills.

In fact, majority of dependants on informal sector merely swell the ranks of urban poor, along with vast unemployed including educated job seekers. While there has been steady increase in the number of educated job seekers in the live registers of employment exchanges all over the state, the number of Unemployment Assistance recipients in the four CMA districts viz. Howrah, Hooghly, 24-Parganas and Calcutta, increased from 29,724 in 1980-81 to 286,750 in 1984-85, nearly a ten-fold increase. Also, percentage of male unemployed in 15-59 age group of urban population in West Bengal increased from 7.92% in 1972-73 to 10.24% in 1977-78.

All said and done, in reality, the urban poor including migrants would look forward to employment opportunities - be these in informal or formal sector.

By all the above criteria, it could be safely concluded that the incidence of urban poverty is well pervasive in the CMA and particularly amongst slum dwellers constituting the urban poor. Therefore, development programmes in the CMA has to pay special attention to the urban poor.

### 3.0 Development Programmes for the Urban Poor

The problem of urban poverty has not received the attention it deserves. Although there have been programmes like SFDA, IRDP, NREP etc. for dealing with the problem of poverty in the rural areas, there have been only occasional schemes like EWS Housing, Refuges Colony Resettlement, UCD, MNP for the benefit of slum dwellers and poor people in the urban areas. Again, these schemes were found to be primarily oriented towards development of urban infrastructure alone and as such could effect very little economic upliftment of the urban poor. For example, a study of the experience of UCD project in Hyderabad revealed that economic development was essential and that without it social programmes would be of less lasting significance.

### 3.1 The Calcutta Urban Development Programme vis-a-vis the Policy Issues

Economic stagnation coupled with severe deterioration in urban environment assumed alarming proportion towards the end of 1960's. While the former had been a state-wide phenomenon and needed to be dealt at the state level, the urban chaos in the CMA called for immediate implementation of a massive urban development programme. The Calcutta Metropolitan Development Authority (CMDA) was set up in 1970 to implement a Rs.150-crore Calcutta Urban Development Programme (CUDP). Formulation of the CUDP, however, had the benefit of development perspective and an identified short term action programme for urban development

in the CMA, as were documented in the Basic Development Plan (BDP) prepared by the Calcutta Metropolitan Planning Organisation (CMPO) during the early sixties.

Initially, the CUOP envisaged provision of improved civic infrastructural facilities in terms of water supply, drainage and sanitation, traffic and transportation, parks and playground etc. so that the fast deterioration in quality of urban life could at least be arrested. Since the situation was particularly worse in the bustees (slums), special attention was paid to comprehensive physical improvement in bustees in terms of a massive Bustee Improvement Programmes (BIP). Moreover, the spectacular success of the BI Programme in terms of both physical achievements and community response led the policy planners to look at the BIP as a part of total shelter programme.

The experience the CMDA in solving the vast shelter deficiencies in the CMA by schemes for construction of new tenements or serviced sites had revealed that the urban poor would not be impacted ultimately because of operation of market forces. Often subsidised shelters delivered to the poor people change hands because the poor can't resist the temptation of making some opportunity gains by sub-leasing the shelter at market premiums. This would be an usual phenomenon, so long as the wide gap between demand and supply of shelter would persist and the target beneficiaries would not be able to meet the more competing needs. This phenomenon involves re-distribution of wealth to some extent but fails to achieve the social objective of providing shelter to urban poor. In view of all these and particularly in consideration of the fact that major upliftment in economy of lot of urban poor would take somewhat long time, it seems quite rational and practical to pursue more vigorously with the BIP type programme, which would not only help improve physical quality of life for the urban poor but also address significantly the problem of shelter for the poor.

Simultaneously, efforts were made to provide health infrastructure, particularly in the slums, with a view to improved health services delivery in the CMA, with experience, the programmatic character of Health Programme under the CUDP's has changed so as to fulfill the social objective in a better way. Curative approach, as was initially designed, gave way to preventive health care approach coupled with public awareness, motivation and community participation.

Despite a large number of physical achievements in terms of creation of sizeable number of assets in the different fields of urban services in the CMA, the sustenance of the same over long run appeared to be seriously threatened because of lack of affordability of the local society towards appropriate operation and maintenance. This was particularly revealing in the bustees, where the attitudes and also ability of the bustee dwellers towards proper operation and maintenance of assets were lacking. This merely lent support to the hypothesis that economic development coupled with a better distribution is the pivot around which success or failure of an urban development programme like CUDP would depend.

This was also rightly appreciated in the BDP, which had, as first of the four objectives, dynamic economic growth in the CMA. However, what happened during all the years was a gradual deterioration in the economic base of the CMA, coupled with proliferation of informal activities in manufacturing, services and trades. The incidence of urban poverty was particularly high amongst slum dwellers. In course of the formulation of the second phase of the CUDP, the CMDA felt the inescapable need of complementing the physical infrastructure orientation by programmes for economic regeneration. The offshoot of such planning efforts led to the formulation of an economic and social support programme, particularly for the slum dwellers, as a part of the CUDP-II.



In the following sections follow a brief account of the different programme components of the CUDP, which have been primarily oriented towards the urban poor in the CMA.

### 3.1.1 Bustee Improvement Programme

One of the most important components of the multi-sectoral CUDP had been the Bustee (slum) Improvement Programme (BIP). Incidentally, the Govt. of India at the national level had already included a programme for development of slums designated as Minimum Needs Programme (MNP). Various alternatives of Bustee development viz. slum modernisation, slum relocation and slum improve were tried. While slum modernisation was found to be very expensive and slum relocation lacked beneficiary response and acceptance; the latter alternative of slum/bustee improvement was found to be the most suitable to the prevailing physical and socio-economic contexts in the CMA. Through the BIP, it was envisaged to provide civic infrastructural facilities including water supply, sanitation and pathways, leaving the structures as they were. Therefore, it was basically an environment improvement programme in the slums. One of the interesting features of the BIP implementation is that it started with a band of social workers going round the bustees, talking to dwellers, earning their cooperation towards the physical development work in the bustees. The social workers also administered a scheme of the State Govt. for distribution of free milk and bread amongst bustee children. The CMDA has so far spent about Rs.50 crs. and extended improved infrastructural facilities to about 2 millions slum dwellers, out of an estimated total of around 3 millions.

The impacts of Bustee Improvement Programmes became quite revealing within a short span of time and the achievements have received both national and international acclaim. The community response to the programme was remarkable. Gradually the slum dwellers themselves were involved in the process of planning and design of the BIP. Filth and squalor in the improved slums the drains and the service privies were replaced by sanitary ones.



These facilities have had considerable impacts on the health situation in terms of reducing a number of water and air-borne diseases in the improved slums.

However, despite all these physical improvements having taken place in the slums, one unfortunate feature was observed to be that of non-sustenance of the development efforts coupled with lack of proper operation and maintenance of assets created in the bustees. It was rightly felt in the CMDA that in order to overcome the problem and to make any dent on the quality of life for the slum dwellers, it was imperative to have their economic lot improved through organised institutional efforts.

### 3.1.2 Small-Scale Enterprises Programme

In order to design a suitable programme for economic upliftment of urban poor, the CMDA instituted sample surveys in certain selected bustees in Calcutta, prior to formulation of the second phase of CUDP in 1978-79. The surveys were conducted in 14 slum areas covering 13,483 households, a population of 68,565 and a total of 1934 household and non-household industries (household:1256 nos.). Besides, surveys and studies were made in 5 concentrations of homogeneous small-scale manufacturing enterprises. The surveys revealed utter deprivation of income and employment opportunities. Per-capita monthly expenditure worked out to a paltry sum of Rs.77.58 and unemployment and underemployment percentages were estimated at 5.2% and 5.4% respectively. But, by contrast, 39% of the total labour force were found to have different categories of skills. The survey of industrial units revealed, inter alia, major operational constraints, in order of priority, as the following: (a) lack of finance, with little access to institutional credit facilities; (b) lack of space; (c) lack of power; (d) lack of technical support; and (e) lack of easy availability raw materials.

Finally, the need for harnessing the productive potential of slums and other economically backward areas through promotion of small-scale enterprises was stressed. Extension of financial and technical assistance were of utmost importance for achieving generation of employment and augmentation of income of vast urban poor including slum dwellers. It was also a time when there was a similar appreciation at the national level to promote both smallest of small-scale sector viz. the Tiny Sector and self-employment opportunities.

In the background of BIP evaluation and findings of the abovenoted surveys, the CMDA made an attempt in the second phase of CUDP (CUDP-II) to complement physical infrastructure orientation with efforts to support the economic activities of slum dwellers and to provide for preventive health care. The programme of employment generation for slum dwellers through small-scale enterprises came to be known as Small Scale Enterprises Programme (SSEP). The programme consisted of 4 Sub-components as follows:

a) A Credit Scheme

It was agreed that the Govt. of India would direct four commercial banks<sup>3</sup> to make Rs.3 crores available for loans to the target entrepreneurs over a period of 3 years, with the loans bearing an interest of 10%-12% per annum. The loan would consist primarily of short term working capital but could cover investment needs as well. Maximum maturity of loans would be 10 years and repayment schedules would be flexible.

b) An Extension Service

The cottage and Small Scale Industries (CSSI) Deptt. of the Govt. of West Bengal were to assign 20 Extension Officers to provide technical assistance to the target group in the CMA.

c) Study of Potential of the Programme

The CMDA were to take necessary steps to institute study of the SSE potential in the CMA as well as sub-sectoral activities of particular importance in the area, so as to formulate a basis for identifying a much bigger phase of SSEP in future.

3. Allahabad Bank, State Bank of India, United Commercial Bank and United Bank of India. Soon after approval of the program, the Central Bank of India also joined.

d) Performance Monitoring

CMDA with the help of its own social workers and that of the CSSI extension officers would monitor the performance of borrowers, participating commercial banks and the extension service. A Coordinating Committee was to be set up comprising members from all participating institutions under the Chairmanship of the CMDA.

The programme was to be implemented in the 14 slum clusters that were surveyed. Target enterprises were to be those belonging to the Tiny sector, with total employed capital in an unit valued at less than Rs.1 lakh. The ceiling of individual loan was put at Rs.20,000/- Any kind of enterprises in the slums would have qualified for loan. It was estimated that 4800 loans would be sanctioned for an average of Rs.6250/- per unit. Benefits were expected in employment generation, income increases for loan recipients and through income redistribution following the replacement of high-cost credit from money lenders (estimated at 80% - 120% per annum) by a much lower cost bank credit.

At the official end of the SSEP under the CUDP-II, a total of 3,495 loans had been disbursed for a total of Rs.0.89 cr. This represented 72.8% of the target number of loans but only 29.6% of the total targeted amount. This discrepancy between the percentage achievement figures could be explained by a greater incidence of DRI loans,<sup>4</sup> which the participating banks preferred to lend under partly because of their being able to fulfill the Reserve Bank of India (RBI) directive of lending a minimum of 1% of total loan amount under the DRI to the EWS and partly because 90% of value of DRI loans having coverage of the guarantee scheme of the RBI.

In order to assess income and employment generation impacts of the SSEP, a survey was conducted in 631 Units that received SSEP loans. However, it was not a well designed sample survey and that

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4. The ceiling of DRI loan is set at Rs.5000/- per case and the loan bears a rate of interest of 4% per annum.

50% of the units surveyed belonged to 'Tailoring' group. Also, not all the needed data/information were collected in the survey. Any way, based on whatever data were made available, the following were notable:

- i. total employment in assisted units rose by over 400 or nearly 60%, with more than half of the increase being accounted for by newly formed tailoring units;
- ii. on annual basis, income increases amounted to 67.6% of loan amount in manufacturing and repairs and 45% in trades and services, after loan repayments. This, however, did not include earnings accrued to new job creation. On the basis of minimum wage of Rs.8/- per day and 25 working days per month, the percentage increases would have been nearly doubled;
- iii. income increases also resulted from re-distribution of income by way of replacement of high cost money lender. Considering the case of Hand Rickshaw puller, it was observed that 17.1% income increase to loan recipient could be explained by income redistribution;
- iv. leaving aside the tailoring group, where loan amount per added job was found to be as low as Rs.1100/-, the same for manufacturing and repairs worked out to less than Rs.5000/- This compared very well with Rs.60,000/- per added job in small-scale industries promoted by the CSSI in Calcutta.
- v. contrary to initial apprehension of commercial banks, incidence of bad and doubtful debts was fewer in SSEP (2%) than in other cases (15%), according to a report of the participating banks in mid-1982.

Now, despite all the above merits, the programme targets for 3 years could be nearly achieved in 5 years' time. This could be explained by poor organisational response from all the

participating agencies. The banks' priority continued to be attached to rural credit, except for Bank of Baroda, which accounted for lion's share of the total SSEP disbursement. There were also certain operational problems, which slowed down the programme implementation. Community involvement was not tried. The Coordinating Committee was also did not perform the role expected of it.

However small the SSEP achievements were, compared to the total magnitude of urban poverty, inequality and unemployment in the CMA, the immense importance and the need for a more vigorous implementation of the SSEP were beyond question. Rather, steps were taken to overcome the various implementation constraints, as referred to in the preceding paragraph. Notable amongst such steps were the following:

- i. changes in procedure and approach;
- ii. using deposits in commercial banks as a tool to promote SSEP;
- iii. progressive involvement of local authorities (municipalities/corporation) and registered voluntary organisations and clubs in not only borrower identification but also loan repayments;
- iv. a directive from the RBI obliging the commercial banks to lend 40% of their available funds to priority sectors, which include the SSEP;
- v. an interest subsidy of 4½% over 12.5% to the group of borrowers whose annual incomes lie between Rs.3001/- and Rs.7200/- and who repay loans in time.

The above measures along with increasing realisation amongst commercial bank officials that they have a social obligation in supporting the SSEP, have helped third phase (CUDP-III) to embark upon a much larger SSEP.



The CUDP-III has a target of 42,600 loans involving a total disbursement of little over Rs.20 crs. over a five-year period from 1983-84 to 1987-88. The number and notional average loan amount per case differ over the three categories of loanees.

The programme is now in its fourth operational year. Until Sept.1986, 16,312 beneficiaries (i.e. 38.9% of total target) have been sanctioned loans of Rs.6.90 crs. (i.e. 32.6% of total target). The momentum picked up quite well during the six months preceding Sep.'86 and if the same tempo is maintained through rest of the CUDP-III period, targets can be fully achieved. A systematic computerised monitoring system has been developed so that the deficiencies in programme implementation performance including loan recovery can be quickly assessed and corrective actions taken. A highpowered Co-ordinating Committee has been formed and the intervention of the State Level Banking Committee is sought whenever occasion arises.

Finally, it is strongly felt that the SSEP along with the GOI's recently introduced SEPUP programme would go a long way in addressing the question of urban poverty. But the author doubts the sustenance of the same over long-run, unless promotion of economic activities for the urban poor through these kind of programmes are tied up with the total economic development plan of a region with all linkages established. Notwithstanding, modest efforts have been taken in the CUDP's to uplift economically lots of vast majority of urban poor including slum dwellers.

### 3.1.3 Health Programme

Since 1972, the CMDA has been working on development of health infrastructural facilities in the CMA, but not as a part of a comprehensive health care plan. Amongst a list of facilities, the CMDA investments resulted in creation of 23 static dispensaries, 3 poly clinics and 16 mobile dispensary vans to extend medical coverage to bustee dwellers.



However, in order to design a suitable medical care service system in the CMA, a survey was instituted during 1976-78. The results of the survey placed greater emphasis on the need for extending primary health care in the slum areas. A pilot project covering a bustee population of 2.2 lakhs was undertaken during the CUDP-II to assess effectiveness of health care delivery systems.

Based on the results of the above survey and the pilot project, a more comprehensive health care programme, covering a population of 2 million bustee dwellers, has been initiated under the CUDP-III. Family welfare services, maternal and child health care, nutrition have been given a relatively high weightage. Primary health care shall be delivered at the doorsteps of the beneficiaries. For the purpose of enlisting community participation, honorary health workers, recruited from the community, have been inducted. The implementation and administration of the programme will be done by the Local Bodies. The total project cost would be about Rs. 9 crores.

Successful implementation of the programme would facilitate delivery of medical care to urban poor in the CMA, in an organised manner and at subsidized prices.

#### 4.0 Concluding Remarks

The CMDA's efforts have helped large sections of the urban poor to alleviate their physical environment, although the problems of poverty remain as acute as before.

The author only likes to reiterate the point that all infrastructural development efforts would be of little significance unless the economic lot of the urban poor can be improved substantially. Although the SSEP has made a first step towards this end, the programme would need to be properly aligned with the mainstream of economic activities so as to forge a better tie-up

with the organised sector. Further, both to strengthen existing skills and to instil new skills amongst the urban poor, it is necessary to assess such needs and accordingly draw up programmes for training and technical assistance. An organised marketability strategy needs to be devised so that small producers are not made victims of market forces. An articulate monitoring system followed by corrective actions would be the key to programmatic success. The banking sector, in general, has to be more responsive to programme targets.

In the long-run, when the SSEP will have achieved a great deal of its basic objectives of income and employment generation, it may be needed to be replaced by SSEMP - Small Scale Enterprise Management Programme.

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POLICIES AND PROGRAMMES FOR  
THE DEVELOPMENT OF URBAN POOR  
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Policies and Programmes for the  
Development of Urban Poor

- A Case Study of Kanpur

By

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The plight of urban poor has not received sufficient attention in the past. Of late it is being realised that they are also disadvantaged in terms of access to services as are the rural poor. The phenomenon of urban poverty is related to the growth of urban population which may not be very remarkable as compared to many other countries. But the sheer numbers of present urban dwellers and their projected population point out that the magnitude of the problem is likely to be greater with the passage of time. The urban population of 156 million as recorded by census 1981 is likely to reach 206 million out of the total population of 825 million of the country. By the year 2000 it is anticipated that a third of Indian population will be living in urban centres. Nearly 50 per cent of urban population is estimated to be living below poverty line.

In the State of Uttar Pradesh the urban population according to census 1981 is 1989995 and 52 per cent of this population is concentrated in 32 urban agglomerates and because of the large concentration of population in these cities the problem of urban decay and slums is quite perceptible. Associated with this is the problem of urban poor. Kanpur happens to be largest city of the State and eighth largest metropolis of the country having a population of around 1.8 million and therefore it also has the largest number of urban poor in the state. The density of population in Kanpur City is 5009.36 as compared to the State average of 377. Living conditions of the majority of the population are extremely poor due to inadequate provision of ...

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Note: The view expressed in this paper are individual views of the authors and not of the organisation they are serving.

infra-structure, shelter and basic services. It is estimated that approximately one-half of its population live in sub-standard environmental conditions. According to a recent survey 98 'Ahatas' were identified as slum areas by the Kanpur Development Authority(KDA). The quality of life of the urban poor is poor due to their poor health status with a high incidence of water borne and communicable diseases-such as gastro-enteritis, cholera, hepatitis and skin and eye and throat ailments. Kanpur has the highest incidence of tuberculosis in India with an estimated 60 per-cent children under 6 years in slum areas affected by the disease. Around 30 percent of the slum population has been classified to be 'continuously sick'. It is estimated that the absenteeism among industrial workers was estimated to be as high as 60 days in a year.

Since there is no national policy or programme for the development of urban poor some sporadic programmes have been taken in metropolitan centres. In Uttar Pradesh two urban community development projects were taken up in Kanpur and Jhansi in pursuance of the recommendations of the Rural-Urban Relationship Committee of the Government of India. The Jhansi project came to a close subsequent to an evaluation in 1970. The Kanpur project has been continuing since then as the implementing agency-i.e. the Kanpur Nagar Mahapalika(KNM) seems to have been satisfied with the outcome of the project. The major objectives of the project were as follows:

- 1) Creating a sense of social coherence on a neighbourhood basis through corporate civic action and promoting national integration;
- 2) Developing in the urban dwellers a sense of belonging to the urban community through increased participation of people in community affairs by a problem solving approach with their own initiative, organisation, self help and mutual aid

- 3) Bringing about change towards betterment by creating civic consciousness and by motivating people to improve the conditions of their life particularly those affecting their social and physical environment;
- 4) Developing local initiative, identify and train local leaders; and
- 5) Ensuring fuller utilisation of the technical and welfare services with the help of an external agency.

It would be obvious that the broad objectives of the project enumerated above aimed at community organisation with a view to involving the people in management of civic affairs. The development of urban poor, though not explicit, was implied as the coverage of the project was defined in terms of the population living in slum areas of Kanpur. The project was implemented through the non-governmental agencies. In the 'Ahatas' or wards where voluntary agencies were operational the project activities were handed over to them which were required to raise their own funds and matching assistance was provided by the Kanpur Nagar Mahapalika. In those wards where no voluntary agency was active Vikas-Mandals were constituted by the project-functionaries which were subsequently registered under the Societies Act. Thus 22 Vikas Mandals were organised. The project activities included 30-Balwadis, 18 craft centres, 23 adult literacy classes, 5-creches, 15 libraries and reading rooms and 50 nutrition centres. About 5000 children received supplementary nutrition daily who were also provided the facility of medical check-up and vaccination. Supplementary nutrition could, however, not be maintained on a regular basis as the organisers depended on the supplies of nutrients (generally-milk powder) on external agencies. In addition to the above activities the project authorities also assisted in organisation of training of women in food preservation, doll making,

etc. Some citizens were also trained in civil defence and first-aid.

The Kanpur Nagar Mahapalika appointed five community organisers alongwith some ministerial staff.

The project can be said to have run satisfactorily in the sense that the Vikas Mandals were constituted and they undertook the activities such as Balwadis, craft centres etc. They also organised some cultural activities. But the concept of participatory planning, monitoring and evaluation to achieve the objective of better civic life could not be put into practice. It was found that the Vikas Mandals were generally dominated by the influential sections of the community and there was hardly any representation of the poorer sections of society in these bodies. However, so far as the services are concerned, their main beneficiaries were drawn from the poorer sections and to that extent the services were directed towards the poor.

The limitations of the Urban Community Development Project both at the conceptual as well as at the field level are, therefore, obvious. At the conceptual plane the total view of the life of the urban poor was not taken and there was no provision for income generating activities for the urban poor. Similarly, quantifiable objectives were not formulated so that the impact evaluation could have been possible. Therefore, it was difficult to measure the impact of the project in terms of reduction in Infant Mortality Rate or reduction in incidence of anaemia or water borne diseases or literacy levels as no bench mark was available. Another limitation of the project was that no programme of physical development was taken up on a mass scale and some slum improvement schemes were taken up under the Government Programme, later under the Minimum Needs Programme which could hardly make any dent on the problem.



On the whole, it may be mentioned that the impact of the project was rather diffused and it was not perceptible in different aspects which go to improve the quality of life. Nevertheless, the project could create some awareness at the Mahapalika level about the utility of organising the activities like Balwadi and nutrition centres and also the constitution of Vikas-Mandals which could create some leadership at the ward level and could sometimes provide feedback about civic problems.

Thus, the Kanpur-Nagar Mahapalika agreed to continue the project after the experimental phase and it was normalised.

The lessons which emerge from the experience of implementation of the Urban Community Development Project are as under:-

- 1) It is possible to organise the Community around some nucleus activity of common interest and whose benefits could be equitably shared by the wider community.
- 2) Through a community organisation, however loose it may be, it is possible to identify some community-leaders and volunteers who can work for collective interest without selfish motive.
- 3) It is possible to bring about an improvement in civic life through collective action and the people organisations can work as a coordinating-link-between officials and the general public. The services can be maintained better by providing timely and proper feed back to the civic authorities about the break down of services.
- 4) Communities, if organised well, can build up pressure on civic authorities to provide for their needs on a priority basis.
- 5) Peoples' organisation help in effective delivery of services and create receptivity and demand for services.

In the beginning of 1981 World Bank showed interest in-taking up physical development in the slum areas with a view to improving the quality of life of the urban poor. The World Bank sanctioned assistance to the Kanpur Development Authority in slum upgradation programme called KUDP-1 under which the Ahatas were acquired and the tenants were transferred the right of ownership. These slum dwellers were given loans for improving their shelters, having a connection of water and sanitary latrines. The lanes were paved and sewerage and drainage were improved.

Kanpur Nagar Mahapalika also started a programme with the assistance of UNICEF of provision of social inputs to slum dwellers who are covered under the KUDP-I, so that the programmes of physical and social development could be dovetailed to create a perceptible impact on the quality of life of the urban poor. The programme of social development was taken up in 44 out of 98 Ahatas declared as slum areas and in which the physical development work was planned to be taken up.

The goal of the new urban development project which was executed in Kanpur from 1981 to 1985 was to extend basic services in a phased manner to the urban poor with special focus on women and children. The following were the overall objectives of this project.

- 1) To encourage community participation in the planning, provision and maintenance of basic services and in developing a workable system of loan recovery;
- ii) To enhance the planning and implementation capacity of the implementing bodies particularly the Kanpur Nagar Mahapalika to provide basic services to the children and women of the urban poor;



- iii) To encourage and promote the convergence of services to the same beneficiary by timely and effective coordination with the sectoral departments such as health, sanitation, education and social welfare;
- iv) To enlarge the involvement of the voluntary organisations and self-help effort in the project areas; and
- v) To establish contact and motivate potential beneficiaries of the programmes proposed under KUDP-I mainly slum upgradation and sties and services and particularly to develop their awareness of the need for full cost recovery.

In order to achieve these general objectives, specific objectives were also framed under different sectors such as water and environment, health and nutrition, education, economic activities, recreation and shelter. Drawing from these various project activities were designed which included assistance in installation of hand pumps, extension of tap water supply to primary schools and community centres, low cost methods of drinking water, sanitary latrines periodic health check ups, immunisation, pre-natal and post-natal services, school health programme, nutrition pre-school education, literacy campaigns, play centres, income upgrading programmes for women, etc.

#### Implementation Approach

For implementation of the UNICEF assisted urban community development project one Project Officer, One Training-cum-Evaluation Officer and 20 Social Workers were appointed. It was envisaged that during the course of implementation of this project the integration of the old

programme will be done and benefit of the previous experience will be utilised for effective implementations and improving upon the former project. - In order to achieve its objectives - the approach of recruitment training and placement was adopted. The social workers were required to collect data, analyse needs of the urban poor, stimulate motivation, organisation and action on needs expressed by the community. Local efforts were to be supplemented by assistance from the project. Local level committees or voluntary workers and provide honoraria for Balwadi workers and helpers in delivering child care, craft training, literacy classes etc. Such - voluntary workers were expected to be provided assistance - by client groups they would serve and would not seek to become Mahapalika or government employees. A participatory monitoring and evaluation system was to be developed. The project was to be normalised after the experimental phase. The achievements under of the urban community development project (including that of the urban development project) are discussed below:

#### Physical Development

- For executing the physical development programme - the Kanpur Development Authority secured world Bank assistance. Under this programme Abates were first of all acquired, as these were owned by private persons. After acquisition the slum-dwellers were handed over the ownership rights. These persons were motivated to improve their housing condition and for this purpose provision of some loan was also made. The Kanpur Development Authority took up the work of laying down sewer lines, water mains power line for street lighting and the families were given individual water and light - connection. The streets were also paved and storm drains were constructed. Where all the residents did not take individual - connections public sanitary latrines were also constructed. The cost of the providing the individual connections was to be

realised from the beneficiaries. Similarly, for those families who could not afford to have their own individual tap connections, India Mark-II hand pumps were installed. As a result of the efforts of the Kanpur Urban Development Project and the Urban Community Development Project the people in the acquired Ahatas had adequate water supply and latrine facilities. The living conditions had considerably improved and most of the localities now had a much better physical outlook. However, in those Ahatas where the owners had obtained a stay order from the High Court the sanitary conditions had become more assome because neither the KDA could do anything in this matter and the land-lords were not spending anything on improvement of latrines. The people, especially women, were suffering and feeling helpless due to the long drawn legal battle between the KDA and the private-landlords. The most depressing feature in this was that the people did not take any collective action to improve their plight -- at least they could do something to bring about some improvement. This was a failure of the project.

- There were some complaints about the quality of work done by the KDA in physical development. It was reported that the sewers were made of material of very poor quality and the standards were lowered down, e.g. the diameter of the sewers was smaller due to which there was frequent choking of the sewers. The storm water drains were also not constructed properly and in many Ahatas it was reported that the monsoon water used to flow out of sewers and drains got blocked or burst flooding the entire area. In a number of Ahatas, the pavement of lanes was done at a level higher than the huts or houses existing there and rain water used to enter the houses very often. The sewer tops made from inferior quality material had crumbled and those made of a cast iron were stolen away. Due to this many sewer ends remained uncovered and dangerous for the inhabitants at right. The street lighting was also defective and poles were erected unscientifically. There was no

provision of replacement of bulbs and for long the 'Ahatas' were in complete darkness.

The installation of India Mark-II-pumps had been very beneficial and generally residents were appreciative of these. In the nine Ahatas visited by the evaluation team out of 36 hand pumps only 8 were found out of order. The location of these pumps was found suitable by and large. The maintenance procedure was not sound as there was no system of providing quick feed back about the defective hand pumps. The caretaker training, although proposed in the project could not take place nor any sanitation education was given to the residents.

In spite of these deficiencies there has been an improvement in sanitary conditions and the number of patients suffering from the water borne diseases registered at the hospitals of KNM had dropped from 6 per cent to 4 per cent in the project area. The community had realised the importance of sanitation but they would wait for somebody to take initiative to call KNM employees to get their area cleaned. Since there was no formal organisation of the people looking after these problems, it took long to get the garbage removed. Because of lack of sanitation education the residents used to throw garbage and coal dust into the sewer which choked the entire line.

Another important programme of propagation of smokeless chulhas was not taken up by the project authorities although it is an important programme of environmental improvement as well as helping in reducing the consumption of fuelwood in cooking.

From the experience of the project it can be said that installation of water taps on individual basis was a good proposition but installation of private latrines was not at all advisable when the inhabitants had only a bare minimum accommodation of one small room. In such cases only public latrines should have been constructed. The public latrines should have water connection as was not seen here. The public latrines were unhygienic for want of regular system of cleansing and maintenance. Public latrines on Sulabh Shauchalaya pattern would have better chances of success as these have no problems of maintenance. They also provide lighting facility. It was necessary to educate the people in the area. The community volunteers suggested earlier may also be trained to provide this education through Mahila Mandals. Some of them may also be trained as care-takers for India Mark II. Lastly, but not the least, the proposed vikas Mandals should also look after sanitation aspects and the people's involvement in this activity would go a long way in strengthening the efficacy of water and sanitation programme. The progress achieved in this component is shown in diagram 1.

#### Health and Nutrition

Although all the operational objectives incorporated in the original project proposal were not pursued, the progress in this sector was quite satisfactory. The methodology of delivering health inputs through organisation of periodic health camps was adopted. These camps were planned and organised Ahata-wise in which municipal medical and health department and the G.S.V.M. Medical College were involved. The social workers appointed under the project with the help of Balwadi instructors made door to-door contacts and prepared a list of target children and mothers for vaccination and general check up. Some health and nutrition education was also imparted through communication aids and verbally but it was not done on a systematic basis.

The education about ORT for prevention of diarrhoea was, however, paid special attention and its impact could be seen in terms of reduction in the incidence of water borne



diseases. The project authorities had also selected 45 traditional birth attendants and were imparting training and given aseptic delivery kits. - It was reported by the project that these trained dais were handling 44 per cent deliveries as against 20 per cent before training.

There were some efforts to identify 150 (70-women) community volunteers and to train them in programme objectives as a step towards adoption of basic services approach. Some other activities were also organised here including clean house competitions and excursion for children.

So far as input of nutrition was concerned, arrangement were made with Kanpur cooperative Milk Board to supply Miltone to children-attending Balwadis with effect from Nov. 1984. This Miltone was being supplied by the Milk Board as part of the commitment of U.P.-Government with UNICEF to supply miltone free to children in lieu of plant and machinery, supplied free to Kanpur Milk Board. But its coverage was restricted to Balwadi children (age group 3-6). The children of the age group of 0-3 years and pregnant and lactating mothers were not covered. At present 1248 children were receiving 200 ml. of Miltone daily.

Immunisation had received top-most priority and the project had achieved outstanding success by reaching the herd immunity level of 85 per cent coverage of all infants with three doses of DPT and Polio (OPV) and one dose each of BCG and Measles vaccine. In this the contribution of the UNICEF was quite significant in getting the different agencies tied up, ensuring supplies of vaccines timely and motivating the project staff to carry out the programme sincerely and zealously. In achieving the herd immunity level the intensive door to door contact and building rapport with the people by the project social workers and community volunteers was helpful.



The project has been normalised from January 1986 and the latest progress reports showed that the immunity level was being maintained with the active interest and assistance of Kanpur Medical college. No slackness in this activity was noticed and it has now become the regular feature of the project activities. Adequate arrangements have been made by these agencies to ensure that each new born is immunised not allowing any backlog to happen in future. The progress is shown in diagram 2 and 3.

It may, however, be added that the credibility of KNM hospitals and dispensaries was found low and consequently their services remained under utilised. It was reported that staff of these dispensaries/hospitals rather discouraged people to avail of the services particularly the women who wanted to get their deliveries done at the hospital under the pretext that these were not well equipped.

- In Kanpur community out-reach services were almost non-existent. The induction of the community volunteers could make some contribution but since their number was very small and they did not receive specific training in primary health care approach, there was very little orientation of the municipal medical and health department towards primary health care.

As mentioned earlier, only a small section of children of the age group of 3-6 were getting supplementary nutrition. There was also no effort to identify the severely malnourished children and mothers. The question of malnutrition is related first to lack of awareness at the household level and second to the overall economic status of the family. Nutritional deficiencies can be considerably reduced if the local people make some changes in dietary habits. The nutrition education should also aim at changing some of the social norms such as involuntary starvation of women although some signs of change were noticed in this. But still the education is necessary and it should form a part of functional education in which non government agencies can play a significant role.

### Early School Learning

There were 28 Balwadis running in the project area. Out of these 13 were running in KNM buildings, one in a rented building and ten in accommodation provided by the local community. Four Balwadis were running in the open. Except these four, all Balwadis had drinking water and latrine facilities. The Balwadis were found to be working satisfactorily and generally 30 to 40 children below the age of 6 years were attending these. The Balwadis were found to be neat and clean with the teaching and communication aids properly placed. The attendance was regular. Each child was required to pay Rs. 3 to 5 per month as fee and out of this amount Rs. 50/- p.m. was paid to the Balwadi teacher. In addition the teacher, who belonged to the local community, was paid a monthly honorarium of Rs. 100/- (now raised to Rs. 200/-) by KNM. The Balwadis were not strictly following the principles of non-formal education because these included teaching also. It was reportedly done on the demand of the local people who insisted that their children should get education on the pattern of schools for children of wealthy people. The Balwadis provided sufficient attraction to parents to send their children here. This was indicated by the attendance which was maintained at the same level even if there was no supply of Miltone. The impact of Balwadis would have been for greater, had there been a programme of education of mothers.

The local community was not involved in the management of Balwadis and these were run more or less as official centres although in the earlier UCD programme the primary responsibility for running such centres was that of the Vikas Mandals or Voluntary Organisations which got a matching grant from KVM. Whatever be the pattern, the local community should be given the primary responsibility of running Balwadis so that it also looked after the maintenance aspect and reduced the chances of theft or other mischiefs that were reported in some cases here. The linkages between Balwadis and primary schools and adult literacy centres could not be established here. This would have improved the effectiveness of the programme. The progress in this programme is shown in diagram 4.

#### Income Generating Activities for Women

There were two new model charkha centres and four tailoring centres for improving the income status of women. These centres were planned and owned by the project staff and no effort was made to involve women in planning of these centres. An assessment of their skills or their preferences was not done before hand. The bench mark surveys did go into this question but information collected was not made use of. Although, the poorest of the women were taking their advantage the tailoring centres did not help in supplementing the income of such women. They provided some skills only to stitch their

own clothes and to do some tailoring work of their neighbours. The two NEW MODEL CHARKHA centres helped women to earn only Rs. 5/- per day and that too after working hard for eight hours. The scheme was not very popular. But whatever the number the women came to these centres regularly.

The present activities aiming at improving the situation of women did not make any dent on the problem and therefore a fresh look was required on this component. For the poor households, income supplementing programmes for women have a special significance because these women make a significant contribution to the income of families struggling to subsist. Income generating activities also act as catalyst for growth and development of self-reliance and leadership qualities among women. Income generating activities were also important because the family should have some supplementary income to provide nutrition to children who were attending Balwadis in the event of the supplementary nutrition programme being wound up.

#### Capacity Building at Agency Level

Capacity building for tackling the problems of urban poor did take place at the agency level although it may not be upto the desired extent. Since the programmes of physical and social development were taken up in an integrated manner, it could provide some orientation for the engineering staff

towards the social development programme. They could realise that social planning inputs was also necessary while working for the urban poor. The majority of functionaries were more human and responsive to the needs of the poor. This kind of the poor. This kind of attitudinal change in the officials had resulted in improvement in the overall capability of these authorities to serve, the urban poor. Both the teams of officers dealing with physical and social development respectively were working in unison and there was a better understanding of inter-agency functions. The engineering staff was assisted in getting lease deeds executed and in recovery of loans by the social workers. Similarly, there was better coordination between various departments of the corporation to cater to the needs of the poor.

### Community Participation

While assessing the degree of community participation in the urban community development project first of all we have to examine the mechanisms, processes and procedures followed by the project authorities. Since this project was an enlargement of the earlier community development programme it was presumed that under this project also the Vikas Mandals will be organised and through these and other voluntary agencies the community development work will be initiated and expended. Since the programme was now being implemented specifically in poverty stricken areas and the Vikas Mandals used to meet 50



per cent expenditure on activities from their own resources, it was not found possible by the project authorities to raise so much resources here and organise project activities through Vikas Mandals. Instead it was decided that some sort of society will be formed in each Ahat. There was, however, no clarity about the structure and composition of these societies. Thus, the field level workers interpreted the formation of society in their own manner. These organisations were not registered under the Societies Registration Act to provide these a formal stature. Consequently, these bodies were formed purely on an adhoc basis without giving any consideration to adequate representation of beneficiaries particularly women.

This lack of clarity at the conceptual plane itself was detrimental to enlist participation of the people, especially of the poor women and mobilisation of local resources to the desired extent and it manifested itself in more than one ways and it pointed out the deeper malady, i.e. implementing the programme by the project functionaries on their own and taking people's participation for granted. For similar reasons the project authorities also did not think of organising women beneficiaries in Ahatas which could have gone a long way in furtherance of objectives of the project. And also there was no people's committee formed to manage and supervise the affairs and activities at the Balwadi level. This proved to be a very great obstacle in building up social capability for



development in the community. Consequently, the project could not help to the desired level in enhancing the capacity of the local people to plan and carry out their own development activities and the project activities were not determined by the community on the basis of their felt needs.

This is not to say that the project activities were not relevant to felt needs of the local people. Actually these were decided by the project authorities on the basis of assessment of the felt needs of the local people, the involvement of people in decision making, however, might have made some difference in either the way or the mechanism through which services should be delivered.

Since the above mechanisms were not developed, the opportunities for the residents in general and the poor women in particular could not get desired opportunity to participate fully and actively in process of planning and decision making as also in the implementation of the project activities, but they did contribute partially to running of some of the project activities.

One of the essential steps in adoption of basic services strategy was, however, taken here by selecting 156 local community volunteers and training them into programme objectives. These volunteers were very helpful in preparing the community for project programmes.

Analysing the current degree and future prospects of community participation from another angle it may be said that the very first condition of securing participation of the people in a programme of basic services is that a demand for services must be created amongst the people. Then the people start thinking about bringing about improvement in the system of delivery of services. They also start realising that their individual efforts are not going to improve the system and that a collective effort is called for. This subsequently leads to their own organisation to share decision making powers with the higher level institutions and delivery system and it gradually develops into an effective receiving mechanism for planning for basic services at the locality level and overall urban development management. This kind of receiving mechanism reflects community's collective ability not only to tackle its present development problems but to build up capability to deal with the problems that might arise in future also. Also the effectiveness of the delivery system is improved if it has active coordination and collaboration with the people's organisation and vice-versa. Thus, people are involved in all aspects of development i.e. (i) plan formulation and decision making; (ii) implementation of planned activities (iii) sharing of benefits of developmental activities by the poor and (iv) participatory monitoring and evaluation.

Judging from the above criteria, the people's participation in KUCDP satisfied only the first criterion in the sense that a demand for services has been created in the localities inhabited predominantly by the poor. The main factors responsible for such a situation are not that the community had not responded or come forward to participate in the programme. The main fault lies at the conceptual plane because of which the project functionaries did not realise the importance of organising the people (especially women) and they started providing the services which were again decided from above.

One of the major reasons for this has been the lack of orientation of higher ups and field functionaries about people's participation. This is a deep rooted malady and most of the programme of this nature suffer from this weakness.

The training component was rather weak and only two training workshops were organised by a consultant appointed by the UNICEF. The first workshop of two days duration aimed at providing orientation to senior officials of KNM/KDA but this was not seriously attended by these officials. The second programme of five days duration was meant for the project personnel in which all activities of the project were explained but again the aspect of people's participation could probably be not brought home.

### Socio-Economic Impact on Community

Through UCDF it was possible to sustain and enhance the benefits accruing to the poor households by physical development. There was perceptible improvement in the overall environment bringing about some change in life styles also. The houses and surroundings were generally clean. The inhabitants of slums where physical facilities had been provided, particularly women and children reported that now they did not have to face the ordeal of going for defecation in the open. However, the number of families who do not have these facilities was quite large. The tension of fetching water and using it economically was also over. The sources of water and environmental pollution had been removed. They also reported that they maintain now better relations with their neighbours as the friction over use of water was not there and there was equitable sharing of benefits under physical as well as social development programmes. Their self-esteem and self-confidence seemed to have increased leading to a better social status. They felt that they do not now suffer from inferiority when some body visits their homes. There was a definite reduction in the incidence of water borne diseases.

The health camps have helped in reaching the hard immunity level of 85 per cent coverage which has increased the chances of survival of children and reduced the risks of their

being disabled. There has been a reduction in infant mortality in the project area. The regular health check-ups have helped in creating awareness about health and also treatment of diseases of children and mothers. The demand of services in education and economic activities was also not generated to the desired level.

It may be mentioned by way of summing up that social change is a very slow process and some activities of this kind organised for a duration of four years cannot necessarily be expected to bring it about in a perceptible degree and that too in a society ridden with poverty and backwardness. It is all the more difficult to assess it in precise terms in a quick evaluation of this type. Therefore, whatever observations have been made above simply show the trend visible in different aspects of life.

#### Alternate Strategies

In the following paragraphs we discuss some alternate strategies to improve the programme of development of the urban poor. Before we give some suggestions to improve. The services for urban poor it must be pointed out that an organic link has to be established between health and education sectors. In schools besides school health services, nutrition education should also be given. Supplementary nutrition for the severely

malnourished infants and mothers should be given through Mahila Mandals which can be organised at Balwadi Centres and these should be developed as nuclei for organising all social development activities.

#### Improving Health Activities

In the project area the health services have been organised without involving KNM's own hospitals and dispensaries. These should be involved in preventive and promotive aspects of health so that their credibility is re-established. The scheme of women community volunteers should be extended and one community volunteer for every 25 households should be locally selected and trained specifically in preventive and promotive aspects of health care. The community volunteers have already established their credibility by motivating people for vasectomy and tubectomy under family welfare programme. These women workers should be given some kind of recognition and a small kit. A system of incentives and disincentive should be devised to encourage them to maintain a healthy rapport with the health officials and solve the problems that arise between the community and its health workers. For this purpose simple guidelines in local language should be prepared for enabling their effective functioning. A system of participatory monitoring and



evaluation be also designed for which these volunteers should be provided simple cards for providing feed back to the health officials regularly. These volunteers will also be involved in health, nutrition and environmental sanitation education and should also actively participate in mohalla health committees which would be a part of the people's organisation suggested to be constituted at Abate level which may be called Vikas Mandal, the name already popular in Kanpur urban community development programme. Similarly, the scheme of training of traditional birth attendants which has already been successful should be extended. Another scheme of training in ORT needs to be carried out on a sustained basis and in this again the community volunteers should be involved. It would also be necessary to provide sufficient IEC aids and organise publicity through all the available media.

### Improving Situation of Women

In order to involve women systematically in an income generating programme the starting point should be the organisation of women which should have strong support from the project. This kind of organisation, first of all must be tried in those localities where some kind of women leadership is available and then extended to other areas gradually. The role of the project authorities should be that of providing technical and financial support not at the cost of killing the initiative of women. It may be necessary first to train some women in managerial skills who would act as initiators. It may also be useful to utilise such organisations that are already working in the city and extend their activities to these localities.

The concept put forth here is akin to successful experiments already made by Mahila Grih Udyog manufacturing Lijjat Papad. Following this, an organisation of women needs to be created that would take care of training, production, marketing and other linkages. It will be organised at the apex level with branches in different localities and will have well-established linkages with government departments and other allied agencies working in the area. In the beginning, this organisation would need some protection from the government so that the goods produced by it have an assured market. It would need some seed capital and other financial support from government.

Before taking up any particular activity for women various project ideas and alternatives should be tried. KNM is a very big organisation in itself and it may think of some products that may be solely consumed by it. The women's organisation may be given to take up such products whose marketing does not pose a problem. Otherwise these bodies would not be able to compete with well established private sector in the related areas.

These kinds of problems have been successfully solved by Maharashtra Government through Women's Economic Development Corporation (Mahila Arthik Vikas Mahamandal Ltd.) which has been established at the State level. In this case this may be tried on experimental basis at the city level. Mahila Arthik Vikas Mahamandal is engaged in creating self-employment opportunities for women of slum areas. This organisation has also been successful in creating an independent infrastructure for marketing and financing. Mahila Mandals proposed to be organised at Ahata level will be affiliated to the above organisation which would be required to take up training-sum-production activities for women of slum areas.

#### Setting-up a Revolving Fund

There are some women who want to start some small enterprise but because of financial constraints, they do not succeed. These women are not able to secure assistance from the bank because either the amount needed by them is very small or they are not able to cope up with the complex procedures of loaning by banks. If a revolving fund is created at the KNM level and it is operated in a decentralised manner through Mahila Mandals, it will help a large number of women in starting up their own business or other enterprise. Some funds out of this may be placed at the disposal of Mahila Mandals which may be empowered to extend a loan upto Rs.500/- refundable in easy instalments and on a nominal rate of interest. Out of this money, Mahila Mandals may start their own cooperative ventures as well.

#### Management and Monitoring

One of the major objectives of UCDP was to encourage and promote convergence of services to the same beneficiaries by timely and effective coordination with the sectoral departments such as Health, Education, Public Health and Social Welfare. This implied that the activities of UCDP would be dovetailed with the ongoing programmes of the government departments or other agencies in slum areas as well as the

project authorities would explore the possibilities of getting some activities initiated in slum areas for an integrated development and creating a synergic effect for having a perceptible impact on the quality of life of the urban poor.

The project authorities had an effective coordination with the engineering department of KDA which was responsible for execution of slum upgradation programme as well as construction of community centres and installation of India Mark II hand pumps. The project authorities also had a good coordination with the municipal medical and health department through which most of the health camps were organised. In addition, the project authorities also mobilised support and cooperation from Chief Medical Officer of the district, Labour Department, District Tuberculosis Officer, Employees State Insurance Department and finally with the G.S.V.M. Medical College Kanpur in getting the health and medical services organised in the project area. With a view to obtaining supplementary nutrition for the children the project authorities also maintained good liaison with the Kanpur Sahkari Milk Board. Similarly, for getting two New Mahila Charkha centres started as income-generating activities for women the project authorities mobilised support and assistance from Gramdyog Mandal, an institution recognised by the Khadi and Village Industries Commission. It also had utilised the services of the Information and Public Relations Department for getting organised film shows in slum areas.

But project authorities could not utilise its imagination and visualise activities and inputs that were necessary to be organised for producing a converging effect. The inter-linkages (both backward and forward) could not be taken into consideration with the result that a number of crucial services/activities were left out and the project authorities concentrated mainly on four programme, i.e. organisation of health camps for immunisation, Balwadis and distribution of Millets to the children at Balwadis and two NMC centres and four craft,

centres. Unfortunately, these programmes were conceived as ends within themselves. Consequently, UCDP was almost a lone-runner. It left out departments of Primary Education, Adult Education, Medical and Health department, (health and nutrition education components), Harijan and Social Welfare Department, Sports Departments, Training and Employment Department, Commercial Banks, Industries Department, Kanpur based womens and child welfare organisation. Thus, a number of programme elements, conceived originally could not at all be included at the stage of implementation.

A Review Committee was also proposed which was to include one representative each of UNICEF, I.I.T. Kanpur or Kanpur University, Secretary Local Self Government, Secretary Housing and Urban Development, Administrator KNM, Vice-Chairman KDA and a social worker from All India Women's Conference, Kanpur. This committee was required to meet three to four times a year. This committee was never formally constituted and, therefore, it did not meet.

A participatory monitoring and Evaluation system was also proposed to be developed. The UNICEF did make some efforts to design a system through the expert advice of a consultant but no such MIS was available and consequently not implemented. Obviously, there was no community involvement in the management and the monitoring of the project.

It would be clear from the above that the monitoring of the project was done in a routine manner and the concerned agencies were not serious about it with the result that some of the crucial elements were lost sight of. For example, the organisation of women, developing community centres as nucleus of all project activities, functional literacy and forming neighbourhood committees and decentralised implementation of UCD on the basis of mini-plans prepared for each Basti. There was no system to obtain from or give feed back to the community.

The basic reasons for not having any participatory monitoring and evaluation systems emanate from the overall

approach adopted in the project towards systematic community involvement which was conspicuous by its absence. Since it became another KNM programme the significance of involving the people through neighbourhood committees in either project management or its review could not be realised at any level by those concerned with its implementation. The training and education component was a weak link in this programme.

#### NGO Participation

There was no participation of voluntary agencies in the UCDP. Nor the project authorities made any effort to create peoples' organisations as a part of the project itself. The Municipality did not realise fully the need of involving NGOs in a community based of this nature.

#### Political and Administrative Will and Interest in the Project

It has already been explained in the earlier sections that the normalisation of the project is an indicator of the interest of administration in the project. But the appreciation of the project was only implicitly done by the administrative authorities (since political authority does not exist here because of the KNM being under supercession). But an active and wholesome interest means much more i.e. the KNM should provide systemic support to the project by its own reorganisation to facilitate participatory and field based efforts. Nevertheless, the project has been normalised, firstly, because it was a commitment with UNICEF and, secondly, it had become a part and parcel of the KNM reckoning the period from 1966 when the earlier urban community development programme was started here. The KNM fortunately does not have any financial problems because its income from different sources is very high and it is one of the few local bodies which are financially very well placed.



### Recommendations

Despite the limitations and deficiencies in implementation of the urban community development project in Kanpur. It is obvious that this project has been able to prepare a ground which can be utilised for a more purposeful action for providing basic services to the urban poor. In following paragraphs we give some recommendations for improving the programme. These recommendations have emerged from discussions with beneficiary groups, social workers and KNN and government functionaries at various levels.

Of late, there is greater awareness of the problems of urban poor and political will to alleviate their social and economic conditions which is evident from the fact that this programme has been included in the Prime Minister's New Twenty Point Programme.

In this context, the need for a National Policy on Development of urban poor can hardly be over emphasised.

It has not been possible to integrate all ongoing programmes for ensuring convergence of services for the urban poor and create a perceptible impact on their quality of life. Therefore, there is an urgent need of making a frontal and multi-pronged attack on the problem of urban poverty by launching an "Integrated Development Programme for Urban Poor (IDPUP)" in metropolitan areas.

For implementing IDPUP a unified agency need to be created at the metropolitan level in the first instance and gradually to extend it to other urban areas on the pattern of DRDA in rural areas. This may be designated as Integrated Urban Poor Development Agency (IDPDA) duly supported by administrative order.

The agency should be headed by the Mayor of Municipal Council with senior most executive officer as Secretary. It would include representatives of all departments and agencies

(also voluntary) and representatives of the Ward/Ahata level people's bodies to be created under IDCPD and also the representatives of the commercial banks.

The recent scheme of self employment for urban poor announced by GOI should also be implemented by IDPDP and should dovetail it with social development programmes especially the development programmes of children and women of the urban poor.

At each Ahata level there should be organisations of beneficiaries (e.g. Vikas Mandals) to take up all community based programmes and help in motivating people to take up employment programmes. These bodies would be represented in IDPDA also. Mahila Mandals would be an integral part of the Vikas Mandals.

At the State level to provide support to IDPUP should be a high power steering committee under the chairmanship of the Minister for Urban Development with representation of different concerned department and IUPDAs from different cities to frame proper policies and programmes for urban poor in the state and to provide financial and other support the purpose as also to review the progress of these programmes.

Women belonging to the poorer sections of urban society need special support. It is suggested that Women Economic Development Corporation Ltd. as a State Government Undertaking should be floated on the pattern of Mahila Arthik Vikas Maha Mandal Ltd. in Maharashtra.

The above corporation will organise training - cum - production programmes and will have its branches in the cities which will have horizontal and vertical linkages with (i) allied agencies financial institutions etc. and (ii) with Mahila Mandals at the Ward/Ahata level. It will look after all aspects of training and production including marketing etc.

Local commercial banks should be allotted specific Wards/Ahata for adoption with a view to generating self employment activities. For this, a shelf of small bankable projects should be made available with the help of DIC, KVIC etc. These schemes will be ultimately sanctioned and followed up by the IUPDA with some element of subsidy.

A 'Revolving Fund' should also be created at the local branch of Mahila Arthik Vikas Maha Mandal which would be operated through Mahila Mandals at the Ahata level for providing small loans to women entrepreneurs at a nominal rate of interest.

Community centres as nucleus of all development activities for the poor especially children and women should be organised under the aegis of Mahila Mandals which will coordinate with both the Ahata level bodies as well as Women's Development Corporation.

More Community Volunteers should be indentified (one for each 25 families) and they should be trained in delivery of basic services. A system of incentives and disincentives should be devised for involving them actively in the programmes for the urban poor.

A participatory monitoring and evaluation system should be developed with suitable indicators of participatory development. It should be effectively implemented to keep programme objectives into sharp focus at all times.

Management capability should be improved and for this training component should be strengthened. Training needs be identified and it should be a continuous process. Training for both official and non-officials functionaries at all levels should be organised in suitable training institutions. Seminars, workshops and conferences should also be organised periodically to discuss the problems of urban poor. In these at least 33 per cent actual beneficiaries should participate.

A simplified methodology for decentralised Banti level planning should be evolved so that the local people are able to manage themselves most of the steps in planning, implementation, monitoring and evaluation. Simple methods and guidelines in local language should be evolved for diagnostic surveys, assessment of community needs, formulation of schemes, participatory monitoring evaluation etc. Ahata levels organisations and community volunteers should be provided guidance and special training for this purpose.

Research input and a documentation system would be necessary to provide correctives at the conceptual level as also to evolve suitable indicators of social, economic and institutional development and to modify them when required. Successful stories should be documented and publicised to encourage their replicability. There should also be a mechanism for exchange of inter-state, inter-country inter-city ideas and experiences to facilitate their replicability.







NATIONAL SEMINAR  
ON  
DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

ECONOMIC ACTIVITIES OF THE URBAN POOR

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## ECONOMIC ACTIVITIES OF THE URBAN POOR

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The Sixth Five-Year Plan considered a minimum per Capita per day intake of 2,400 Calories for rural areas and 2,100 Calories for Urban areas as the criteria for determining the poverty line. Calculating the physical rations in terms of cereals, pulses, milk, butter and vegetables and then multiplying them with market prices, the monthly expenditure figures, at 1979-80 prices, were Rs. 76 for rural areas and Rs. 88 for Urban areas. Thus, 48% of the total population was found to be below the poverty line - 51% of rural areas and 40% for urban areas.

The Seventh Five - Year Plan while reviewing the progress of the poverty eradication programmes has revealed that in 1984-85, the total number of persons below the poverty line was 273 m 222 m in rural areas and 51 m in urban areas. In relative terms, 37% of the population was below the poverty line - 40% in the rural areas and 28% in the urban areas.

The Seventh Plan envisages that by 1989-90, only 211 m persons will remain below the poverty line accounting for 26% of the total population- 169 m (28%) in the rural areas and 42 m (19%) in the urban areas. Indicating the long-term goal, the plan hopes to bring down the proportion of population below the poverty line to 10% in 1994-95.

The problem of urban poverty did not receive as much attention as that of rural poverty. The programmes commencing from sectoral development to total development for eradication of poverty revolved round mostly the rural society than the urban

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society. The root cause of urban poverty is identified in rural poverty, the regular phenomenon of continuous migration of rural poor into cities in search of a livelihood, their failure to support themselves there and resulting growth of roadside slum life in cities itself, created massive poverty giving major setback to the development activities undertaken in the cities. Though the hypothesis that urban poverty is an overflow of rural poverty holds good, many studies have revealed that the conditions of the poorest of the poor in rural areas are more or less stagnant. On the contrary, the conditions of urban poorest of the poor are definitely deteriorating.

The data available on unemployment clearly reveal that the problem is serious and there is alarming situation demanding immediate action.

The national sample surveys have brought out, though not very clear at least a sketchy picture of severity of the problem. Accordingly, unemployment (usual status) in March, 1985, on the basis of 38th round of NSS, was estimated at 9.20 millions for age group (5 plus) constituted by 4.97 millions (54 percent) rural and 4.23 million (46 per unit) urban revealing that unemployment is proportionately very high in urban centres than in rural areas when compared with spread of the total population in rural and urban areas.

The estimates also state that unemployment in all ages is only 2.15 per cent of labour force in rural areas while it is 6.35 percent in urban areas, revealing that the urban unemployment is as high as three times to that of rural unemployment.<sup>1</sup>

Moreover, the urban area did not get advantage of any special programme for gainful employment. It was for the first time that the finance minister launched the self-employment programme for urban poor on Sept. 1st, 1986. This programme envisages providing of self-employment to urban poor living in metropolitan urban and semi-urban centres with population exceeding 10,000 as per 1981 census.

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1. Pathak, B.S. : Employment For Urban Poor, The Economic Times, New Delhi, Nov. 20, 1986.

OCCUPATIONAL PATTERNS:

The broad industrial classification of all workers into nine divisions adopted at the 1961 census and continued thereafter provided a basis for the functional classification of the workers. The nine -fold industrial classification essentially corresponds to the Divisions of the Standard Industrial Classification as follows:

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Brief Description	Census Industrial Categories of workers.
1. Cultivator	I
2. Agricultural Labourer	II
3. Forestry, Fishing, Plantations, Mining and Quarrying etc.	III
4. Household Industry	IV
5. Manufacturing other than Household Industry.	V
6. Construction	VI
7. Trade and Commerce	VII
8. Transport, Storage and Communication	VIII
9. Services	IX

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We have to bear in mind that the strict comparability of the data is not possible but the data are serviceable. The census of 1981 carries forward the tradition of the Census of 1971 in making the definition of "worker" rigorous and more meaningful and has classified the workers into 'main workers' and 'marginal workers'. Main workers are those who have worked

in some economic activity over a period of six months or more and marginal workers are those who have not worked for a major part of the year.

Table- 1 gives the classification of urban population of U.P. by main activity status. It will be observed that the highest percentage (30.38%) is recorded for other services followed by Trade and Commerce (20.14) and Manufacturing, Processing, Servicing and Repairs (18.52) for the year 1971. In Table-2 for the year 1981 the marginal workers have been added and the divisions III, IV, V (b), & VI to IX have been added. The percentage of other workers thus comes to 76.88. Workers engaged in the activities like Hackney Carriages bullock-carts, ekka, tonga etc; transports by man (including rickshaw pullers handcart pullers, porters, coolies etc); domestic services; hair dressing such as those done by barbers, hair dressing saloons and beauty shops; Vegetables and fruits selling; dealers in sweetmeat, bakery, products dairy products and eggs and hotels, rooming houses, camps and other lodging places, fall under the category of services.

Most of the poor are either self-employed or working in unorganised manufacturing or service sector of economy. The organised formal and unorganised informal sectors co-exist in the urban labour markets of developing countries. Generally speaking, new migrants finding it difficult to get absorbed, in the main stream of formal sector, enter in the domain of informal sector establishments to earn their livelihood and accept earnings even below their alternative incomes in agriculture sector, probably as an investment in job search; since it is the informal sector which holds all kinds of surplus labour including new entrants to the labour force, the incidence of poverty and low income is higher in the informal sector.<sup>1</sup> informal sector is large enough in the urban labour force, estimates range between 40% to 60% e.g. Calcutta 43% (1971).<sup>2</sup> The real problem in the urban areas is a low-paid job in case of wage-employment and a low asset-base in case of self-employment.

1. Wishwakaram, R.K. : Urban and Regional Planning Policy India, Uppal Publishing House, New Delhi, (1981), p.155.
2. Bose, A.N. : The Informal Sector in Calcutta Metropolitan Economy I.L.O. Geneva (1974).



The objective of the self-Employment programme for Urban Poor(SEPUP) is to enable identified eligible families living below subsistence level to undertake self-employment ventures with the help of subsidy and bank credit. The list of activities (with unit costs) to be financed under SEPUP is given below:

LIST OF ACTIVITIES (WITH UNIT COSTS) TO BE FINANCED UNDER SEPUP

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1.	Rickshaw pulling	2,500/-
2.	Weavers	6,000/-
3.	Shoe Repairers (Cobblers)	2,000/-
4.	Carpentry	5,000/-
5.	Potters	3,000/-
6.	Book Binders	2,500/-
7.	Vegetable Vendors (With Thela)	3,000/-
8.	Tricycle thela mobile shops	5,000/-
9.	Launders and Press Workers	5,000/-
10.	Groundnut Vendors	1,000/-
11.	Blacksmith	3,000/-
12.	Plumber (Job work) with cycle	2,500/-
13.	Caning of chairs	1,500/-
14.	Pan Beedi Shop with Gumti	5,000/-
15.	Scooter repair shop	5,000/-
16.	Furnishers & Painting Shop	5,000/-
17.	Tea Shop	5,000/-
18.	Stove & Pressure Cooker Repair Shop	5,000/-
19.	Welding & Fabrication Shop	5,000/-
20.	Clay moulding & Statue Making	4,000/-
21.	Paper bags & Polythene bag vendors	5,000/-
22.	Magazine, Novel & New Paper shops	5,000/-
23.	Fruit vendors (with thela)	5,000/-
24.	Juice vendors (with thela)	5,000/-
25.	Tailoring/ready made garments	5,000/-
26.	Agarbatti making & selling	5,000/-
27.	Card board box making	5,000/-

28.	Tyre retarding shops	5,000/-
29.	News paper boys	2,000/-
30.	Shoeshine boys	1,000/-
31.	Milk vendors	3,000/-
32.	Egg or fish vendors with thala	3,000/-
33.	Bread rollers	2,500/-
34.	Cycle repairing	3,000/-
35.	Gas welding + iron/smithy	5,000/-
36.	Candle (Wax) making	5,000/-
37.	Rope/Mat/Sirki making	5,000/-
38.	Bakery	5,000/-
39.	Motor binding/Battery charging	5,000/-
40.	Horse cart	5,000/-
41.	Typing machine	5,000/-

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The list of activities given above is merely indicative and not exhaustive. Other similar activities may be undertaken. The banks have identified the workers engaged in above activities as the poorest of the poor in the urban areas.

#### CONCLUSION:

The urban population in the year 2000 is estimated at nearly 315 million or 32% of the total population. This is roughly 54% of the total addition to population in India between 1981 and the year 2000. In the past the urban population increased at a higher rate than the urban settlement. This has led to the enlargement of the existing towns at every level. The envisaged urbanisation trends will result in an increase in the urban labour force by nearly 3 to 4 million per annum during 1985 - 2000. This added to the magnitude of unemployed in the urban areas, gives us a broad dimension of the problem of urban employment demand.

Given the severe overcrowding, the physical limitations of further expansion and the high cost of investment in the metropolitan cities, the policy thrust in the perspective period would have to be to moderate the growth of cities with million-plus population through a well-defined policy of urban development.

A study of Problem of unemployment and under-employment in Lucknow<sup>1</sup> concludes that there are vast opportunities for part-time jobs for under-employed persons. Even now a large number of persons are engaged in part-time jobs but being disorganised, they are not getting adequate wages on one hand and the citizens requiring their services are not able to contact them on the other. Some of the part-time activities can be cited below:

1. Services of semi-skilled workers like electricians, carpenters, malis, house painting & white-wash.
2. Part time tuition.
3. Part time domestic servants.
4. Part time dai and nurses.
5. Baby sitters.
6. Part time accountancy and book keeping for shop-keepers, petrol dealers and other petty concerns.
7. Commission agents of saving and social security schemes.

For any scheme of self-employment for urban poor (male for female), financial assistance is of paramount importance. The self-employment programme of Urban poor opens up new vistas for development through credit. It has the potential of removing

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1. Govt. of U.P. Manpower Planning Division, U.P. State Planning Institute. A Study of Problem of Unemployment and Under-employment in a Metropolitan Town. 1983.

unemployment and eradicating poverty which will ultimately reduce inequalities in the urban society. Through this can be an ideal scheme for improving the living standards of urban poor, it has certain limitations like lack of experience on part of the urban banker as well as the urban poor, non-availability of organised marketing, tough competition in urban areas, tendency to spend additional income on luxuries and spiralling of prices of essential commodities, which necessitate taking of preventive measures. One of the main features of the programme is its unique approach of making the banker solely responsible for its implementation, right from identification to recovery.

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TABLE-I - 5 -

## WORKING URBAN POPULATION OF UTTAR PRADESH BY MAIN ACTIVITY STATUS ACCORDING TO CENSUS (PERSONS)

Year	Population in Lakhs	Total work- ers I-IX	I Cult- vators	II Agri. Labours	II Live- stock forestry, Fishing, Hunting, Plantation Orchards, and allied activities	IV Mining & Quarr-	V Manuf- acturing proc-ss- ing & Repairs (a) House- hold indu- stry	VI Const- ruction	VII Trade & Comm- erce	VIII Trans- port stor- age & Comm- unica- tion	IX Other serv- ices	X Non- workers
1961	94.80	2934392	149399	34181	31751							
			(100.00)	(5.09)	(1.16)	(1.08)	(9.73)	(17.66)	(3.18)	(18.93)	(8.58)	(34.59)
*(III & IV)												
1971	123.89	3428337	188311	142998	28174	2535	260749	634856	80941	690256	358008	1041509
	(30.69)	(100.00)	(5.49)	(4.17)	(0.82)	(0.07)	(7.61)	(18.52)	(2.36)	(20.14)	(10.44)	(30.138)

SOURCE: Census of India Part II (B) Primary Census Abstract. Figures in ( ) denote percentage distribution with total workers.

Figure in ( ) denote percentage increase over previous year.

TABLE- II

WORKING URBAN POPULATION OF UTTAR PRADESH BY MAIN ACTIVITY STATUS ACCORDING TO CENSUS

	Population in Lakhs	Total Workers I - IX	Cultivators I	Agricultural Labours II	Household Industry Manufacturing Processing Servicing & Repairs V (a)	Other Workers II, IV, (b) & VI to IX	Non-Workers	Marginal Workers
61	94.80	2934392 (100.00)	149399 (5.09)	34181 (1.16)	285412 (9.73)	2465400 (84.02)	6545503	
71	123.89 (30.69)	3428337 (100.00)	188311 (5.49)	142998 (4.17)	260749 (7.61)	2836279 (82.73)	8960259	
81	198.99 (60.62)	5370249 (100.00)	469876 (8.75)	335876 (6.26)	435732 (8.11)	4128765 (76.88)	14467932	60934

SOURCE: Census of India Part II (B) Primary Census Abstract.

Figures in ( ) denote percentage increase over previous year whereas  
Figures in ( ) denote percentage distribution of workers with total workers.



NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

ECONOMIC ACTIVITIES OF THE URBAN POOR  
( A CASE STUDY OF AHMEDABAD)

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ECONOMIC ACTIVITIES OF THE URBAN POOR  
( A CASE STUDY OF AHMEDABAD )

by

K.R. PICHHOLIYA

INTRODUCTION

In the early stages of urbanization and development of metropolitan cities, the urban areas generated sizeable demand for labour which was supplied by resident urban poor and rural migrants. There were opportunities for urban poor and migrants to get employment in mills, factories, manufacturing industries and also to start their own business in the city's organised and unorganised sector. The largest-cities have attracted the largest-number of migrants from the rural and semi-urban areas because, they offer a wide range of employment opportunities which require various degree of skill and unskilled labour force. Today, large metro-cities no longer need additional migrants in the same proportion as they once did. Now there are less opportunities for the urban poor and migrants without education, skills, and capital to go into mills, factories and other occupations. People with little or no education, skills etc. are at disadvantage position in the city labour market. Generally, urban poor have limited income earning opportunities and they hold jobs at the lower level of skills, and low-paid activities both in the organised and unorganised sector. It is a well known fact that a man's economic activity, occupation is probably the most important fact we can know about him. With that information, we can say a great deal about his income, where he lives, how he lives, and where he fits into the socio-economic system. For example professional people-doctors, lawyers, professors, etc., make higher income that

non-professionals in the city. In trying to explain why some people earn more than others, we must look at several considerations (1) inherited wealth; (2) schooling; (3) intelligence; (4) productivity; (5) "good luck" (6) type of economic activity etc.

### Objectives and data of the Study

In the present paper an attempt is made to portray and examine comprehensively the economic activities of the urban poor of Ahmedabad City and suggest the ways for higher earning. Data collected for the study "Urban Poverty in a Metropolitan city: A study of Ahmedabad" conducted by the author has been utilised for this paper. A sample of 200 families of the city was drawn by random sampling method.

To identify the poor for the study we have worked out our own 'poverty line' on the basis of minimum family budget on the whole range of consumption items which were considered the minimum consumption expenditure needed for living in the metro-city of Ahmedabad. Thus we have identified those families with per month per capital income below Rs. 35 as poor family. According to this definition, out of 200 selected families, 106 families were below the "poverty line" in March 1973.

### RESULTS AND DISCUSSION

Before attempting an analysis of the economic activities of the urban poor of the Ahmedabad City, it will be desirable to discuss in brief the economic structure of the Ahmedabad city. The classification of workers according to industrial categories, Census 1961 and 1971 reveals that the industrial categories which are the most important in a highly urbanised industrial city like Ahmedabad, are manufacturing other than household industry, occupations such as cultivation, agricultural

labour and raising live stock etc., play a very insignificant role in a highly urbanised economy, wherein the combined strength of workers in a primary sector is quite small. Trade and Commerce, transport, storage and communications, and the other services occupy the second place in the economic structure of the city (see Table 1).

A comparison of the proportions of workers working in the various industrial categories during the 1961 and 1971 (Data of the 1981 Census is not yet available) will be helpful in assessing the changes in the economic structure of the Ahmedabad City, as revealed by Table 1. There is a noteworthy decrease in the manufacturing industry other than the household as well as household basis. There has been a simultaneous increase in the construction, trade and commerce, transport storage, communications between two census period. Increase in the primary occupations like cultivation, agricultural labour etc., is of very small magnitude and may be ignored. The most interesting feature of the comparison of the two census data is that the organised sector has failed to keep up with the growth of city labour force.

The changes in the economic structure of Ahmedabad City indicate a worsening of the relative economic opportunities available in the city. This can be examined by the workers performance at relatively lower level of the labour market by their age-group and sectoral first work. Table 2 provides

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Table 1

## WORKERS BY OCCUPATION : AHMEDABAD CITY

Main Occupation	Census, 1961		Census, 1971	
	No. of Workers	%	No. of Workers	%
1. Cultivators	615	0.17	839	0.19
2. Agricultural Labourers	456	0.13	613	0.14
3. Livestock, forestry, fishing, hunting and Plantations, orchard, and allied activities	1093	0.31	5306	1.18
4. Mining & Quarrying				
5.a. Manufacturing, Processing, servicing and repairing, Household industry	10892	3.05	6857	1.52
5.b. Other than household Industry	180776	50.58	204255	45.39
6. Construction	9493	2.66	14203	3.16
7. Trade & Commerce	55224	15.45	88239	19.61
8. Transport, Storage & Communication	20633	5.77	32779	7.28
9. Other Services	78213	21.88	96864	21.53
TOTAL	357395	100.00	449955	100.00

Source: Census Reports.

Note : 1981 Census data is not yet available for all industrial categories as of 1971 for comparison.



Table 2PERCENTAGE DISTRIBUTION OF WORKERS BY AGE AND  
SECTOR OF WORK

Age Group	Sector	
	Informal	Formal
0-14	100.0	0.0
15-19	92.2	7.8
20-24	88.5	11.5
25-29	66.7	33.3
30-34	72.1	27.9
35-39	78.2	21.8
40-49	66.7	33.3
50-59	67.3	32.7
60 and above	84.6	15.4

Table 3Percentage Distribution of Workers by Year of  
Study and Sector of First Work

Year of Entry	Sector	
	Informal	Formal
1941-45	55.6	44.4
1946-50	50.0	50.0
1951-55	47.1	52.9
1956-60	86.9	31.1
1961-65	85.7	14.3
1966-70	88.0	12.0
1971-75	75.5	24.5
1976-81	83.3	16.7

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The distribution of slum workers by age-groups, and the broad sector. It is clear that there is a general tendency for young workers to be in the informal sector. Data of entry in the labour market over the years (see Table 3) reveals that the entry to the formal sector is becoming more restricted since the sixties as compared to earlier years.

#### PATTERN OF ECONOMIC ACTIVITIES

Now, we attempt a comprehensive examination of economic activities of the urban poor along with non-poor of our sample of the metropolitan of Ahmedabad.

### Employment in Major Activities

Structure of employment of workers in sample households conforms to the general pattern of predominance of secondary sector, including manufacturing and construction in the economic structure of the Ahmedabad city. About 65 per cent of the total workers of our sample are employed in this sector. Further, manufacturing alone accounts for 37.38 per cent of total employment of which organised manufacturing sector claimed 31.45 per cent, miscellaneous work and services related to secondary sector come next and accounted for above 23 per cent. Next in importance comes the tertiary sector consisting of trade, transport and services which absorbed about 34 per cent of the sample workers. Services absorbed about 22 per cent of the workers: 62.5 per cent of them in the organised public services and remaining 37.5 per cent in personal services. Next in importance come trade and commerce giving employment to about 11 per cent of the total sample working population.

The employment pattern of workers belonging to poor and non-poor households in our sample goes to support our contention that the workers from poor households work mostly in the low income sectors, and those from the non-poor households in the relatively high income sectors. Broadly

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speaking employment in the public services, non-household manufacturing sector and to some extent in trade and commerce sector, is characterised by higher levels of earnings and that in the other sectors, household manufacturing, construction, communication, transport and personal services by relatively low earnings. The organised manufacturing sector provides employment to 34 per cent of the workers from the non-poor households, and 29 per cent of those from the poor households. But the household manufacturing sector employs around 10 per cent of the workers from this group. Only one per cent of the workers from the non-poor households work in this segment of the manufacturing sector. Ancillary work and services to the manufacturing sector employs around 27 per cent of the workers from poor households, but only 19 per cent of those from the non-poor households. Trade and commerce and public services, relatively better paid activities each account for 15 to 17 per cent of the employment of non-poor workers, but to only 7 per cent of the workers from poor households. On the other hand, personal services constitute a significant activity of the poor households, while workers from the non-poor households dominate the employment in public services. Odd jobs in miscellaneous category are again mainly done by workers from the poor households (see Table-4).

This point may be further clarified on the basis of the employment pattern of the two groups of workers, in the organised and unorganised sector of the city economy.

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Table-4  
Employment in Major Activities

Major Activities	Workers from households below poverty line		Workers from households above poverty line		Total
	Number	Percentage	Number	Percentage	Number Percentage
1. Primary sector					
Dairying	3	1.67	3		0.90
Sub-Total	3	1.67	3		0.90
2. Secondary sector					
Manufacturing/processing:					
(a) Non-household	53	29.44	53	33.76	31.45
(b) Household	18	10.00	2	1.27	5.95
Construction	8	4.44	8	5.10	4.75
Miscellaneous work/ services related to secondary sector	48	26.67	30	19.11	23.14
Sub-Total	127	70.55	93	59.24	65.28
3. Tertiary sector					
Trade and commerce	12	6.67	26	16.56	11.28
Transport and communication	13	7.22	7	4.46	5.93
Services					
(a) Public sector	12	6.67	23	14.65	10.38
(b) Private Sector	13	7.22	8	5.00	12.17
Sub-Total	50	27.78	64	40.76	33.82
TOTAL	180	100.00	157	100.00	100.00

In the organised sector public services, organised textiles and trade are particularly better income activities. We invariably find that proportion of workers from households above poverty line is high and of those from the households below poverty line low in these activities (Table 5) . As high as 61.15 per cent workers from households of non-poor category are employed in the organised sector, where as only 37 per cent of the workers from poor households find employment, in this sector. Here again the largest number of the non-poor workers are in textiles, followed by public services and trade and smallest number in non-textile manufacture. The poor-household workers make the major part of workforce in textile and non-textile manufacturing, while they are in minority in all other better paid activities in the organised sector. The unorganised sector employs 63 per cent of the workers from poor households and 39 per cent of those from the non-poor households. In almost all the activities in the unorganised sector, the poor-household workers are found in much larger number than those from the non-poor households. Thus, one can conclude that to a large extent it is the activity structure of their workers that leads to the poor or non-poor status of the households.

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Table 5

Distribution of Workers According to Organised  
and unorganised sectors by poverty line

Sector	Below Poverty Line		Above Poverty Line		Total	
	Number of workers	Percent- age	Number of work- ers	Percent- age	No. of workers	Percent- age
<u>Organised Sector</u>						
Textile Mill Workers	27	15.00	37	23.57	64	18.99
Manufacturing and Processing: Industries (other than textile mills)	26	14.44	16	10.19	42	12.46
Public Services	12	6.67	23	14.65	35	10.39
Trade	2	1.11	20	12.74	22	6.53
Sub-Total	67	37.22	96	61.15	163	48.37
<u>Unorganised sector</u>						
Trade	10	5.56	6	3.82	16	4.75
Manufacturing (Household)	18	10.00	2	1.27	20	5.93
Construction	8	4.44	8	5.09	16	4.75
Transport, storage, and communication	13	7.22	7	4.46	20	5.93
Personal services	43	23.89	26	16.56	69	20.47
Miscellaneous work	21	11.67	12	7.64	33	9.79
Sub-total	113	62.78	61	38.85	174	51.63
TOTAL	180	100.00	157	100.00	337	100.00

### Nature of Employment (Employee Status excluding self-employed).

Beside employment, and its source, it is also important to see whether it is of regular, temporary or casual nature. Nature of employment held by the earners adds significance to the extent it denotes quality of employment in terms of its regularity and social security benefits. It is of interest to note that permanent job holders accounted as high as 69 per cent of the total earners. About 24 per cent had temporary employment. Casual and part-time employment together claimed a small proportion (7.03 per cent) of the total earners. Nature of employment held by the employed and the level of monthly income had direct relationship. It is widely recognised that permanent worker get higher wages compared to temporary casual and part-time worker. This is justified to a large extent in the case of working males and females of our sample. 58.82 per cent of the casual and part-time workers had monthly income upto Rs. 50 only. Not a single casual and part-time worker reported monthly income beyond Rs. 200 per month. Similarly, none of the temporary employed worker reported monthly income beyond Rs. 500 per month. Table 6 provides the distribution of worker by nature of employment, monthly income groups and poverty line.

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Table-6

Distribution of workers (other than self-employed) by nature of Employment and Monthly Income Groups

Monthly Income groups (Rs.)	Permanent			Temporary			Casual and part-time		
	Below Poverty line	Above poverty line	Total	Below Poverty line	Above Poverty line	Total	Below Poverty line	Above Poverty line	Total
Upto Rs. 50	4 (4.88)	1 (1.18)	5 (2.99)	1 (2.70)	1 (4.76)	2 (3.45)	7 (53.64)	3 (50.00)	10 (58.82)
51-100	7 (8.53)	2 (2.36)	9 (5.39)	7 (18.92)	2 (9.52)	9 (15.52)	1 (9.09)	3 (50.00)	4 (23.53)
101-200	14 (17.07)	14 (16.47)	28 (16.77)	20 (54.05)	7 (33.33)	27 (46.55)	3 (27.27)	3 (17.65)	58 (73.97)
201-300	20 (24.39)	8 (3.41)	28 (16.77)	5 (13.51)	4 (19.05)	9 (15.52)	—	—	37 (15.29)
301-400	25 (30.49)	24 (29.23)	49 (25.34)	2 (5.41)	4 (19.05)	6 (10.34)	—	—	55 (22.73)
401-500	6 (7.32)	16 (19.82)	22 (13.17)	2 (5.41)	5 (14.29)	7 (9.62)	—	—	27 (11.16)
501 and above	6 (7.32)	20 (24.33)	26 (15.57)	—	—	—	—	—	26 (15.74)
TOTAL	82 (100.00)	85 (100.00)	167 (100.00)	37 (100.00)	21 (100.00)	58 (100.00)	11 (100.00)	6 (100.00)	242 (100.00)
	(49.10)	(50.90)	(55.00)	(63.79)	(36.21)	(23.97)	(54.71)	(35.29)	(7.03)

It is of interest to note that the number of permanent workers were more or less the same among poor and non-poor. However workers of poor families had low paid permanent jobs which provided less monthly income as compared to non-poor workers. About 42 per cent workers of non-poor families had permanent jobs which provided an average monthly income of Rs. 401 and more. While only about 15 per cent permanent workers from poor families were found earning this income level. In case of temporary jobs too the position of workers of poor households as compared to non-poor was disadvantaged both in number as well as monthly income level. So far as the casual and part-time workers were concerned again the non-poor were far better than poor ( see Table 6).

#### Type of Work

Skilled jobs absorbed about 24 per cent of the total workers. As is expected, in the city occupations such as textile mills, other manufacturing industries and household industries (arts and crafts) provided skilled job to a large number of workers. In the case of women workers, household industries mainly (arts and crafts) provided the skilled work. Unskilled jobs absorbed the highest number (36.5 per cent) of workers. Private services, miscellaneous work etc. generally require no skill from workers and as such they provided the unskilled job to a majority of the workers.

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about one fourth of workers were found in semi-skilled works. White-collared jobs were available only to 15.72 per cent of the total workers, mainly government and semi-government establishments provided the white-collared jobs. Out of 53 working women, only 6 could get white-collared jobs. The number of skilled women workers were negligible. Unskilled jobs absorbed as high as 35 women out of 53 working women. They got work mainly in the private services and as labourers.

Analysis of the type of work according to poverty line reveals that skilled jobs engaged more workers of poor household than non-poor. This is because one-third of the workers of poor families were engaged in household crafts needing skills. Another 17 per cent were autorikshaw driver. On the other hand, as high as 45 per cent of the skilled workers from the non-poor household got jobs in the organized textile mill sector. The percentage of workers belonging to poor households in unskilled and semi-skilled were 58.54 and 62.96 respectively. As is expected more workers of non-poor household got white-collar jobs than poor (see Table-7).

Table 7

Distribution of Workers by Occupation and Type of Work According to Poverty Line

	Above Poverty	Total	Above Poverty	Below Poverty	Total	Above Poverty	Below Poverty	Total	Above Poverty	Below Poverty	Total	Above Poverty	Below Poverty	Total	Above Poverty	Below Poverty	Total
	line	line	line	line	line	line	line	line	line	line	line	line	line	line	line	line	line
tile mill workers	8	17	25	9	10	19	10	7	17	--	3	64					
Manufacturing industry workers other than textiles)	7	5	12	12	3	15	7	7	14	1	--	42					
Police Government, semi-government etc.	--	3	3	3	2	5	--	1	1	8		35					
Construction work	1	2	3	4	4	8	3	1	4	--	1	16					
Railroad and commerce	--	--	--	4	17	21	7	4	11	--	6	38					
Transport & commun- ication	7	15	12	2	2	4	3	--	3	1	--	20					
Household industry (crafts)	14	2	16	2	6	2	2	--	2	--	--	20					
Personal/private services	2	2	4	23	11	34	15	4	19	3	9	69					
Miscellaneous work	3	2	5	13	2	15	4	6	10	2	1	33					
<b>Total</b>	<b>42</b>	<b>38</b>	<b>80</b>	<b>72</b>	<b>51</b>	<b>123</b>	<b>51</b>	<b>30</b>	<b>81</b>	<b>15</b>	<b>38</b>	<b>53</b>	<b>337</b>	<b>71.70</b>	<b>15.72</b>	<b>100.0</b>	



Table 8

Self-employment Persons by Occupation and Poverty Line

Occupation	Below Poverty Line			Above Poverty Line			Total	Total Percentage
	Male	Female	Total	Male	Female	Total		
Trade	10	2	12	20	4	24	36	37.89
Crafts	10	5	15	3	—	3	18	18.95
Transport	8	—	8	7	—	7	15	15.79
Construction work	—	—	—	3	—	3	3	3.16
Manufacturing work	—	—	—	7	—	7	7	7.37
Miscellaneous work	11	—	11	4	1	5	16	16.84
TOTAL	39	7	46	44	5	49	95	100.00

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Now we examine the occupations of the self-employed persons. Trade (petty-trade, retail trade and business) crafts (mainly tailoring, carpentry, black-smithy, pottery etc.) and transport (auto-rickshaw, pedal-rickshaw) were the main occupations of the self-employed persons. The Economic condition of self employed persons engaged in crafts were miserable as majority of them (83.33 per cent) had income below poverty line (see Table 8). Before the commercialization of the city economy and rapid urbanisation of the Ahmedabad city, most of these crafts occupation had good opportunities to flourish. But now the demand of goods produced in these crafts had declined. Coming up of intermediate producers, producing these craft goods, who could organise both production and marketing had good demand and is responsible for gradually reducing the demand of goods produced by self-employed traditional craftsman. In the transport, those playing auto-rickshaw are mostly above poverty line while those playing pedal-rickshaw are below poverty line. Thus self employed are both poor and non-poor, but those working without any significant amount of capital are from among the poor households.

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### Women Workers

A plausible hypothesis is that in the city except for advanced families whose women are likely to be rather highly educated, only those households who are in dire economic necessity send their women out for work. This is corroborated by our findings that 60 per cent women workers belong to the household living below the poverty line. Another 50 women (or 18.8 per cent) belong to the household whose monthly per capita income ranges between Rs. 85 to 100. Thus a majority of working women (79.24 per cent) belonged to the low income group (see Table 9). Most women workers are engaged in low income jobs. Domestic services like washing, cleaning, sweeping etc. are the most important avenues of employment for women. Of the women workers in the sample households over 50 per cent were engaged in these activities. It was observed that wages for such work were low (Rs. 15 or 20 per month). Moreover, service was insecure and the possibility of exploitation was high. The next important activity in which over 25 per cent women workers of sample households were engaged is household industry. Petty trades such as vending of vegetables, fruits, tea, readymade garments provided employment to 11 per cent of women workers.

TABLE 9

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Classification of Working Women Families According  
to per Capita Monthly Income Groups

Per capita monthly income group (Rs.)	Number of families	Number of female in the family	Number of working women	Percentage
Upto Rs. 50	13	28	14	26.42
51-84	13	42	18	33.95
85-100	9	28	10	18.87
101-125	3	9	3	5.66
126-150	1	6	1	1.89
151-175	6	14	6	11.32
176 and above	1	1	1	1.89
TOTAL	46	128	53	100.00

### Conclusion

The foregoing portrayal of employment pattern enables us to make a few generalisation about the urban poverty. For one thing, it is clear that a larger part of workers from the households below poverty line worked in low paid jobs in the informal sector of the city for their livelihood. Due to the lower capital intensity of production, easy entry, low level of skills, education, non-existence of legal regulation of employment etc. the average income and earning of the participants in this sector was low. Therefore, as high as 65 per cent of the workers working in this sector has income below poverty line. Among the various occupations of informal sector, household manufacturing gave relatively lower income and the workers from households below poverty line were found in this activity in a large number. In the formal sector, textile industry was the most important and employed a substantial proportion of workers, but a smaller proportion of workers from poor households found employment in this activity, than of the workers from the non-poor households. So far as the women workers are concerned our data justified the hypothesis that mainly households in dire economic necessity and their women out for work and women generally find low-earning jobs. Thus even their high participation is not able to raise their households above poverty line.

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### POLICY IMPLICATION

What do the poor themselves suggest as measures for their uplift? We asked them as to what could the government do to increase their income generating opportunities, and for removal of poverty in general.

The suggestions made by the respondents, by and large, confirm the implications of our own findings that single most important cause of poverty is the 'lack of employment opportunities with higher levels of earnings, than the ones available to the poor in their current activities.

Most of the city poor are engaged in the informal sector of the city economy. The participants in this sector are poor because they have to face cut-throat competition for their survival. Slow pace of growth of the formal sector has forced them to engage in the low paying informal sector jobs where the increasing competition and low productivity has tended to further depress the level of earnings. The only lasting solution to this problem, therefore, seems to lie in the rapid and systematic development of the formal sector. Further the informal sector needs to be integrated with the organised sector so that productivity and earnings in the informal sector also rise and chances of the poor who are working in the informal sector to move up to better paid jobs in the formal sector also increase. Unplanned growth of informal sector unrelated to and in the absence of the fast-growth of, formal sector is likely to swell the ranks of urban poor.

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In the informal sector poorest among the poor are those employed in the small scale households industries and crafts, on the self-employed basis. Provision of cheap credit, as is often recommended, by itself may not solve their problems because they do not lack capital only, but they are not in a position to get materials and markets for their products at favourable terms. Bringing them together in large Cooperative Organisations may solve some of their problems. But it is neither possible nor necessary to try to turn all of them into self-employed entrepreneurs. With the faster development of organised sector, it should be possible to absorb many of them in the better paid regular jobs, which they also prefer as compared to the self-employment beset with all kinds of problems.



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URBAN POVERTY, UNORGANISED SECTOR  
AND SELF-EMPLOYMENT PROGRAMME FOR  
URBAN POOR

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URBAN POVERTY, UNORGANISED SECTOR AND SELF-  
EMPLOYMENT PROGRAMME FOR URBAN POOR.

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In the present paper, an attempt has been made to analyse some aspects of urban poverty, particularly in its interaction with the unorganised sector. In the light of some salient characteristics of urban poverty, an attempt has been made to examine the recently introduced scheme called 'Self-Employment for Urban Poor' (SEPUP). In part I, largely an *a priori* analysis is made to advance various hypotheses regarding urban poverty. This is followed in the next part by an examination of SEPUP in the light of various propositions regarding urban poverty which were advanced in part I. The conclusion that seems to follow is that the SEPUP is at best a belated attempt to alleviate urban poverty and has rather tangential relation with the nature, forms and magnitude of urban poverty.

It is generally agreed that urban poverty differs from rural poverty in its nature, severity as well as its size. The sources of urban poverty, the mechanism of its accentuation and consequently the policies and programmes required for alleviation of urban poverty are, in some important ways, different from those applicable to rural poverty. This is not to say that the specifics of urban poverty transcend the general, common roots of poverty in a modern private enterprise market economy in an ex-colony which has undergone the experience of uneven and centralising growth. In fact, urban poverty is the obverse of vast industrial monopolies, their technological, pricing, investment, employment and wage policies and linked to agrarian inequities which throws surplus ruralities into

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urban agglomerates, restricts the growth of home market and sucks in surpluses into usury and profiteering through trade. Owing to its serious international industrial, agrarian and insidious public expenditure allocation linkages, urban poverty has generally been underplayed. Hence it is little surprise that fewer direct attempts have been made for helping the urban poor than those made for the benefit of the rural poor. Though often the problem of poverty is discussed separately for the rural and the urban sectors, it would be unreasonable to assume that these are two distinct and unrelated set of problems. On the contrary, they are two closely inter-related facets of the same basic malaise, Urban Poverty is in a sense a spillover of rural poverty. Both the poverties reinforce each other. This is owing to migration from the rural areas under the impact of push factors. It is true that the urban areas also exercise a certain degree of pull for the rural poor. However, owing to slow and non-labour intensive pattern of industrialisation, the expectations entertained by the poor masses for better jobs and better civic amenities are rarely realised.

On the other hand, rural surpluses, skills etc. are sucked into urban secondary and tertiary activities. These backwash effects accentuate rural poverty, leading to a spiral of push-pull factors. In fact, the wage rates in urban organised and semi-organised activities are so low compared to the cost of living in the urban areas that a large number of those belonging to the urban working classes are barely able to keep their body and soul together. From the point of view of appropriate housing, commuting facilities, education,



health and community services, the wage rates in the industrial sector and other urban tertiary activities do not permit the materialisation of their dreams which attract them to the cities.

As a result, a number of family members, including women and children have to start different types of make-do-works in the informal sector or have to do many part-time jobs. Neither wages and incomes nor working conditions in these activities can be regarded such as to make these people enjoy a standard of living above the poverty line. On top of this, they have to contend with urban stress and strain, insecurity, pollution and, in general, a dehumanised environment of slums. Because our plans, neither through large medium or small scale industries nor through other organised services, have been geared to provide effective employment to the regular and floating urban population, the problem of urban poverty has been becoming more intense and complicated.

The trickle-down process at best remains a trickle, failing to make a dent into the gigantic proportions of accumulated absolute and relative poverty. The direct impact of the plan programmes of industrial growth, whether in the public or the private sector, have had therefore, only marginal impact on alleviation of urban poverty, though the indirect favourable impact of a viable public industrial sector on poverty-alleviation cannot be gainsaid even in our kind of 'mixed economy'. Moreover the overall macro and systemic process of the economy including the nature and form of public policies and planning also in various ways make their contribution to urban poverty.

It has been estimated that the natural increase in urban population has been far in excess of the availability of additional job opportunities in the urban organised sector. The kind of co-relation which has been established between agricultural growth and rural poverty cannot hold true for the relationship between industrial growth and urban poverty. Partly this is owing to the technology, product mix, degree of monopoly, import-intensity and locational pattern of industries. Partly this is also something to do with the fact that conscious and direct use of industrial growth as a means of alleviating urban poverty has rarely been made. Even in case of small scale industries, the bulk of the benefits meant for them have been cornered by the larger firms from the organised industrial sector.

It is true that employment opportunities in the public sector have been increasing at a much faster rate than in the private organised sector EC survey, but the growth of public sector industries and other urban tertiary activities have not been of the order capable to absorbing a significant part of labour force available for employment in the urban areas. Overall, it can safely be said that but for the growth of urban informal sector even the natural increase in the population of urban areas would have not been absorbed in the urban sector. That is to say the growth of urban informal sector, based largely on human ingenuity for survival has prevented the throwback of the surplus labour from the urban areas to the rural sector.

The urban informal or unorganised sector is an outcome of a spontaneous adjustment process devised by the urban poor who fail to get integrated in the organised, higher form of production. The working of the urban land and real estate markets which price out the urban poor also contributes to the growth of urban informal sector which encompasses various lower forms of production of goods and services. Thus the urban informal sector is a short-term option, linking itself with the organised sector through trade, labour, input-supply, etc. It is a store-house of low productivity, ineffective 'employments'-whether on one's own account (small commodity production) or with small-scale units. It is no answer to urban poverty but permits reproduction at a subsistence level. Thus it acts as a provide for the reserve army of the unemployed with the possibility that some members of the household may, in fact, be working in the organised sector. It is apparent that since it incorporates the weakest sections of the urban population, the people belonging to the urban informal sector have difficult and limited access to market opportunities and civic amenities.

The above mentioned features of the pattern of industrial growth, urbanisation and its informal sector have some clear implications for the problem of urban poverty. For one thing, the urban poor are also 'working poor' rather than unemployed people in the Western market economies sense of the term. True some industries close down and some firms have to wind up, particularly during periods of economic crises bordering on recession. In our country, industrial re-organisation of capital and malpractices by the industrialists lead to sickness and closure of industrial units-leading to loss of employment. At times to this category of unemployment is also added technological unemployment owing to modernisation rationalisation (including computerisation). However, these phenomena have been relatively less serious.

The usual practice among economists to describe works sharing in agriculture as disguised unemployment cannot simply work for the bulk of the urban poor, except probably for the artisan families. This is because in the case of urban poor there is nothing like a small family land holding on which the work of 'n' number of people may be shared among 'n + x' number of people. Hence in the urban areas in the same family some people may be working in the organised sector, some may just be waiting for the availability of some employment openings, some, having waited long enough for the availability of such opportunities, may have started doing some odd jobs in the informal sector which may be located in different areas and may be vastly different from the work in which other members of the family may be engaged. Thus in the urban areas too, one sees quite sharply the phenomenon of the working poor whose main problem is their low productivity and lower still returns. This may be a combined result, on the one hand, of inadequacy of employment opportunities in the organised sector at fair wages, and on the other, poor availability of money capital and assets and effective demand for carrying on economic activities at a level capable of yielding enough for maintenance and reproduction of their labour power. In sum, the problem of urban poverty is, in the main, a problem of inadequacy of effective employment. The informal sector does not offer an answer to the problem of ineffective employment, as it links together such employments and work opportunities and loosely connects them to the organised sector. At best, it is a short-term make-do expedient. It is only lately that some aspects of the problems of urban poverty and unemployment have started receiving attention, though with some misconceptions, like those regarding the urban informal sector.

## II

The introduction of 'Self-employment Programme for Urban poor' (SEPUP) may be considered as an effort in this direction though it is a belated and not a very appropriately conceived attempt to respond to the problems of urban poverty.

Enquiries with some banks reveal that in a single bank branch applications for loans from the urban poor have exceeded 20 thousand. It will take sometime before the all-India figure about the number of applications received under the scheme '(SEPUP)' becomes known. It is however, reported that the banks have distributed 20 lakh application forms. Naturally the total magnitude of the loan applied for will become known after sometime. Initially the target for the scheme is to disburse Rs. 200 crores to about five lakh applicants.

It appears from the guidelines that to begin with about five lakh families of urban poor with a monthly income not exceeding Rs. 600/- p.m. per family are to be given bank loans of the maximum amount of Rs. 5,000/- per person to self-employed like rickshaw pullers, cobblers, carpenters, Washermen, Plumbers, Welders, Fabricators, Newspaper Sellers, Shoe-shine boys, Cycle and Scooter mechanics and Vendors of fruits and Vegetables. In all about 33 occupations have been identified. Thus, the scheme intends to cover one out of five hundred persons in cities with a population of more than 10 thousand according to 1981 census. The scheme is being implemented with a 25% subsidy to the banks by the Central Government. The loans have to be repaid in a period of 3 years, with a grace period of 3 months in 33 instalments.

The Central Subsidy would be kept as a term deposit in the name of the loanee which would be adjusted against the loan after 75% of the loan is repaid by the borrowers. The assets created on the basis of the loan would provide the security for the banks. The loan will carry an interest rate of 10%.

The loan would be granted on the basis of satisfying the conditions of 3 years of residence in a city and the previous experience of the applicant. In the concerned activity. As for physical space for the activity, the loanee will have to provide proof that the land-lord permits carrying on the business in the rented premises. No loans are proposed to be granted to a person who has obtained a loan earlier from another agency for the same activity. Similarly those who have taken loans for other purposes would be granted loan only if they have not defaulted.

It can be seen that the loan financed activities of the urban poor are expected to become fully operative in a period of less than 3 months so as to enable the loanee to start repayment after the expiry of 3 months. It is also clear that the activities for which the loans are to be granted have to be identified by the applicant himself. He has to ensure its operational, financial and marketing viability. No agency has been entrusted with the responsibility of seeing that the tiny new entrepreneurs identify activities, choose location, go in for an appropriate assets and ensure that pre-conditions exist for successful operationalisation of the scheme. It means that at the micro level there are assumed to exist adequate entrepreneurial



capabilities. On the other hand, at the macro level there are assumed to exist the demand for goods and services which are to be supplied by these self-employed tiny entrepreneurs. Also it has to be ensured that new entrants in relatively easy and promising activities would not cause overcrowding and consequential inability of many existing or new self-employed to succeed in their ventures.

At the macro level, the impact of the scheme would also depend on the fact that the assets to be created by the loanees are available in the economy at appropriate prices. If the level of demand for specific assets like rickshaws, instruments and tools for carpenters, plumbers, welders and various repairers of household and transport equipment is going to exceed existing supplies, it may happen that the prices of these assets will go up and the gain to the new entrepreneurs would be reduced. In any case, in the short-run, it is unlikely that the supplies of various kinds of assets involved in most of these 33 occupations can increase. In that case, bank loan finance would largely replace self-finance or borrowed finance from the informal sector for the purchase of broadly the same quantity of the assets as were likely to be produced prior to SEPUP. It can reasonably be assumed that in the absence of this scheme, the level of demand for the assets involved in these occupations would have been lower. Thus the scheme is likely to increase the demand for the assets in question without much additional supply in the short-run. Consequently there may not occur an increase in the overall supply of the goods and services produced in these occupations.

In any case, it would be unrealistic to assume that all the assets and the entire output produced by these activities under SEPUP would be a net addition. A part of these may just be displacement of what would have happened without the scheme. It may be further assumed, as seems reasonable, that for the successful applicants for the loans, the loan financed activity may generate some additional income, without increasing total income in the same proportion. This may limit the possibilities of the beneficiaries of SEPUP becoming each other's buyers in such a manner as to induce an appreciable increase in the overall demand for SEPUP financed activities.

Since the total impact of a scheme involving about Rs. 200 crores may not be significant from the point of view of creating many macro level imbalances, the scheme in its present dimensions may not be considered inflationary. But in so far as the scheme is something outside the framework of the Seventh Plan, it seems that its macro and regional implications have not been worked out. This may cause a serious problem if the scheme is enlarged to cover a sizeable portion of the urban poor because in that case there may arise serious bottlenecks in the supply and prices of assets involved as also in the availability of the market for the goods and services to be produced with the help of these assets.

In any case, the scheme even in its present form assumes that there is either adequate demand for goods and services which may be produced by the loanes and that there is adequate availability of the physical assets required under the scheme and that these assets are available on

reasonable prices. There is no indication that any national level or regional studies have been made to ensure that these assumptions materialise in reality. That these activities may make an integrated whole and can be regionally and spatially integrated has not been nethered about. To the extent that these assumptions remain unfulfilled, there may well be serious complications for the loanees who may not be able to repay the loans. The banks may have to face problems of default. On account of the non-realisation of the objectives for which the scheme was designed, the national economy too may become worse-off.

One is not making any reference to the misallocation of loans, mis-identification of beneficiaries, leakages through various other devices and the emergence of intermediaries like local politicians and others who may take their cuts. If these administrative lapses assume a serious dimension, the scheme may develop vested interest who would like its continuation through the use of their clout. It is difficult to be definitive on these dangerous possibilities. However, one does not see any sharp and conscious recognition of such dangers and pitfalls in the guidelines issued for the scheme.

On the basis of the guidelines, it can be inferred that SEP UP is essentially an asset distribution programme. Given the small size of the assets and availability of plenty of their own labour power with the loanees, it is expected these assets will be utilised for creating gainful self-employment. Even if one leaves

out of account over -crowding of existing activities, the question to ask is : was the non-availability of finance the only or major limitation which prevented these people from launching new or enlarged economic activities? It stands to reason that if entrepreneurial capabilities and markets, exist for these activities, finance cannot be an overriding constraint. This is because our informal money markets can be relied upon to lend to poor people without any security. The only snag is that such private informal sector lending would be on a rather high rate of interest. Thus the main merit of the SEP UP lies in advertising large scale availability of loans at a relatively reasonable rate of interest. However, the high power advertising about this scheme may not make a tiny entrepreneur aware of the market constraints. Some other difficulties may block his way to success. A loan of Rs. 5,000/- may be too inadequate, particularly for giving a viable size of operations and for providing working capital. Even if one assumes that after three months the project becomes viable and employs at least two members of the family, it would be very difficult to show that after paying the wages to these people and the cost of raw materials and the rent for the space, enough money would be left for repaying the loan and giving him a consumption level above poverty line.

Time tested methods of starting small scale industrial and service activities on the basis of co-operatives by a group of poor people with the State providing the missing inputs of finance,

organisation and initial leadership seem to have been ignored by the framers of SEP UP. Their assumption that a good number of small scale activities would develop mutual linkages, sectorally and spatially, too appear to be untested. The scheme is a telling example of non-planned, ad hoc approach to problems of economic development. Both theory and practice, have demonstrated that in a poor economy with long period of inertia and blockages of positive spread effects, a planned approach to initiation of new economic activities taking into account socio-economic and administrative aspects is essential. The SEP UP has not been devised in the framework of national, sectoral or regional planning. Hence the chances of the scheme getting caught up in unexpected traps are quite palpable.

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DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
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ECONOMIC PROFILE OF URBAN POOR WOMEN IN A RESETTLEMENT  
COLONY OF DELHI

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# SOCIETY FOR DEVELOPMENT STUDIES

## ECONOMIC PROFILE OF URBAN POOR WOMEN IN A RESETTLEMENT COLONY OF DELHI

Sunita Sharma\*

### Introduction

There is a general feeling among many scholars concerned with women's studies that the development process in the country has largely by-passed women in many different ways. The feeling is more strong among those who consider the level of economic participation as the major indicator of development. They support their argument with census data, which show a continuous decline in the share of women in economic participation since 1911.<sup>1</sup>

To a considerable extent, the declining share of women in economic activities arises from the deficiency of the data base. The major reasons for this deficiency are (a) census definition of workers with its main emphasis on economically productive work, tends to exclude a vast majority of women and regards them non-workers; and (b) the dependency assumption that a woman can not be the primary earner as long as there is an adult male in the household, also under-estimates women's economic contribution to the household.

The need to improve the data base on women's economic role was first realised by the Committee on Status of Women in India (1975). This committee highlighted the fact that there was acute paucity of data on women engaged in a number of unorganised economic activities and therefore it recommended that micro-level research studies on women engaged in informal sector activities should be undertaken. Consequently, a

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1. The census data show that the proportion of women in the working force has declined from 34.4 per cent in 1911 to 17.3 per cent in 1971.

number of studies were carried out by researchers, mainly focussing on overall living and working conditions. Most of the studies examined the effect of poverty that perforced women to take up any kind of available occupation to stave off starvation. In many cases, women took up an economic activity to support their unemployed or casually employed husband. Nevertheless, the society recognised the man as the main earner in the household.

While all these studies have widened the scope of information on women activities, most of these studies are limited to selected economic activities and localities. Still, there is a need to undertake more micro-level studies to examine the economic profile of such women who undertake economic activities and generate income within the household premises.

The present paper is a modest attempt to fill the lacunae in this direction. It is a pilot study conducted in Seema Puri, one of the resettlement colonies of Delhi,<sup>2</sup> to assess the economic profile of women engaged in various home-based economic activities. Since bulk of the women in this locality are concentrated in low income occupations on regular or irregular basis, the study is concerned with this group only, leaving out the self-employed women in well-to-do occupations.

The data covering major issues of these poor women's economic activities were collected through a detailed questionnaire. It was further substantiated by close observation and also through wide-ranging discussion with the target group on various issues concerning them. The main emphasis was on women's overall contribution to the household budget.

2. This resettlement colony came into existence about 20 years ago. People from Jamuna Bazar slums were resettled here. All the original inhabitants were allotted a plot of 22.5 sq. yard. Most of these people have their origins in U.P., Bihar, Tamilnadu, Kerala and Andhra Pradesh.

Their ancestors migrated to Delhi two-three generations back.

### Sample Composition and Women's Profile

The objective of the Study was to identify the various unorganised occupations in which women work in this locality. Consequently, a group of 63 women was selected on the basis of their income generating activity. Before examining the impact of women's income on the family budget, which is the second objective of the study, it is useful to bring out the composition of the sample by occupational groups, age groups, level of literacy and average family size.

1. The women can be categorised under 8 occupational groups, as in Table 1. The proportion of women in the different occupations varies according to job availability, skill and women's capability to get access to the jobs.

The maximum number of women in the sample (23.8 per cent) are employed as casual job workers in sticking bindis and making hair nets. These are easily available works with hardly any skill requirement and nominal wage rates. The factory work, on the other hand, is better paid and needs some skill and education, employs only 6.3 per cent of the sample. Another important job is traditional family occupations, which accounts for 17.6 per cent of sample women.

2. Women in the sample belong to different age groups. The minimum age of a working woman is 14 years and the maximum is 60 years. The average age of a working woman is 32 years.

3. There are 28 per cent women in the sample who are illiterate; 19 per cent are literate upto primary level; 30 per cent upto the middle school level; and a small proportion of 7 per cent have studied upto high school.

4. The average family has 5.7 members. This is comparable with the national average of 5.6 members.

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### The Results

1. The total monthly income of the 63 sample women is Rs. 10,595, whereas other household members, all males, earn three times of this amount, or Rs. 34, 510 per month.
2. The per capita monthly income of the sample women is Rs. 168.17 as compared with per capita male income of Rs. 531 per month.
3. There are sharp variations in the monthly incomes earned by the women, according to occupation and age-groups. For example, the per capita monthly income of women working in the Factory Sector is as high as Rs.388, while it is only Rs. 88 in bindi sticking and hair net making. The per capita incomes in other occupations are: Rs. 155 for maid servants, Rs. 140 for the women who do knitting, Rs. 217 for those who do sticking, Rs. 245 for women involved in mat soop and khancha making, Rs. 110 for those who make thumb tacks and do wool rolling, and Rs. 200 for the women running petty shops.
4. The major reasons in occupational variations in income are:
  - (i) Skill requirement, (ii) bargaining power of the women
  - (iii) role of middle man and (iv) supply of work.
5. The per capita income also varies according to different age groups. In the sample, the highest number of women belong to age group of 26-35 years (37.7 per cent of the total sample). This group has the highest per capita income of Rs. 206 per month. The women belonging to the age group of 14-18 have per capita income of Rs. 96 per month. The women of 19-25 years age group have per capita income of Rs. 175 per month. The women, more than 35 years of age, have per capita income of Rs. 149 per month.

The variations are due to 2 major factors such as (i) lower mobility in the case of the youngest age group as compared to women in other age groups. (ii) Significantly less family liabilities for this age groups as all of them were found to be unmarried.



6. The contribution of women to the total household income is as high as 23.5 per cent, though there are variations according to occupation, age group and income levels. The details are presented in Table 1.

(a) The maximum contribution to the household income is 36-37 per cent. These high contributions are made by women involved in the traditional family occupations, such as, making mat, ~~soan~~ and ~~Khanna~~ and women who are working in the factory sector. The reasons for their higher contribution are (i) regular nature of job (ii) less vulnerable to exploitation of middle man. The lowest contribution is made by the group involved in hair net making and bindi sticking ( 13.5 per cent) due to same reasons discussed earlier.

(b) Women of the age group of 26-35 years in the sample, who earn the highest per capita income, make the largest contribution of 26.4 per cent to total household income. On the other hand, the respondents in the age group of 14-18 years make the lowest contribution of 15 per cent to the household income.

(c) With the rise in the income level, the contribution of the women to the household income increases, from 13.6 per cent for the income group of Rs. 50-100 to 38.4 per cent for the group earning more than Rs. 300.

7. The monthly contribution made by the women to the household budget is as high as 32.2 per cent.

8. Women in the sample spend 100 per cent of their income to meet the daily needs of the family.

9. Male members contribute only 64.5 per cent of their income to the household budget.

10. There are similar variations in the proportion of the women's contribution to the household budget according to

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occupation, age and income level.

11. Data were collected to estimate the proportion of household income spent on various heads of day-to-day's expenditure. A comprehensive analysis of the available data shows that 80 per cent of the household income is spent on food, 15 per cent on clothes (though every month they do not buy new clothes) and 5 per cent is spent on miscellaneous items such as repayment of small borrowings and other emergency expenditures. There is no expenditure on education and medicine as within the locality there were schools and a health centre run by the Municipal Corporation. All the women in the sample reported to having access to free education and health services.

12. There are variations in the wages and mode of wage payment for different occupations.

(a) Women who are working as maid-servants and in the factory sector are paid on monthly basis.

(b) For other activities women are paid

(i) On piece-rate basis in hindi sticking, hair net making, and stitching,

(ii) In knitting, wooling and thumb-tacks making, wages are paid on the basis of weight of the raw material.

(iii) Women in the traditional occupations of making mats, soan and Kharicha buy the raw materials on their own, and sell the products on a small profit margin.

(iv) Women ~~running~~ petty shops also buy the provisions themselves and then sell them.

13. Women in the sample work for an average of 6.44 hours in a typical day. They are performing income generating activity alongwith other domestic chores.

14. It was found that a number of men, in this locality, are addicted to various drugs. They spend a major portion of their income in acquiring these drugs. All women in the sample reported that the poverty was the major cause for their taking up paid work. Further 76 per cent of them attributed the cause of their poverty to the increasing drug

addiction among their men folk.

### Conclusion

The role of informal sector in the urban occupational structure has been recognised as an important area of investigation. However, the vital role played by the women in the urban economy as major or partial contributors to the family income, has not got the deserved recognition. The primary data collected for 63 such women, reveal that their contribution to the household budget is essential to meet the rising cost of living in the metropolitan city of Delhi. Women have to play the role of income-earner in addition to their strenuous work of house management. They are working from morning till night but are relegated to a secondary status. The explanation often given is that their work is not comparable to the work of men. Their position within the family and society is rarely enhanced by virtue of their being employed. In employment also they are vulnerable to discriminatory practices and exploitation. They have no job security. Majority of them are dependent on the mercy of the middle-man. Their income fluctuates frequently and widely.

Though the major thrust of the Government's development programmes has been directed towards the women, the results are yet to be felt. Lack of information and exposure make them unable to get access to many Government subsidies.

The role of NGOs in identifying the problems of these women should be well-defined. (a) New avenues of trainings, particularly, for non-traditional sectors employment, should be explored and developed for the women. (b) NGOs should act as purveyor of information regarding various facilities and subsidies, provided by the Government and other agencies for self-employed women. They should help such women to take advantages of the facilities like credit, loan, training & marketing avenues. (c) Another important need is to organise the women engaged in different unorganised home-based occupations so that they could have collective bargaining strength and avoid the exploitation of the middleman.

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TABLE -1 IMPACT OF WOMEN'S INCOME ON TOTAL HOUSE-HOLD INCOME AND EXPENDITURE

		ON INCOME (AMOUNT RS.)			ON EXPENDITURE (AMOUNT IN RS.)		
I. Occupations	Number (1)	House hold Income (2)	Women's Income (3)	Per Capita Income of Women (4)	% of 3 as % of 2 (5)	Household Expendi- ture (6)	Women's share % of 6 (7)
1. Domestic servants	8 (12.7)	5890	1240	155	21.05	4230	1230
2. Bind & Hair net marketing	15 (23.8)	9780	1320	88	13.50	6820	1320
3. Knitting	9 (14.2)	6260	1260	140	20.12	4660	1260
4. Sewing	3 (4.0)	2850	650	216.66	22.81	2150	650
5. Mat, Spool & Kharcha making	11 (17.5)	7300	2700	245.45	36.99	5600	2700
6. Wool thum tacks making	8 (12.7)	5375	875	109.37	16.28	3875	875
7. Petty Shop keeper	5 (7.9)	3400	1000	200	29.41	2300	1000
8. Factory work	4 (5.3)	4250	1550	387.50	36.47	3150	1550
Total	63 (100)	45105	10595	168.17	23.49	32785	10585
II Age Group							
1. 14-18	10 (15.3)	6435	960	96	14.91	4460	960
2. 19-25	12 (18.0)	9290	2105	175.42	26.44	6895	2105
3. 26-35	25 (39.7)	19440	5140	205.60	26.44	14430	5130
4. Above 35	16 (25.4)	9940	2390	149.37	24.04	7090	2390
Total	63 (100)	45105	10595	168.17	23.49	32785	10585
III. Income Group							
1. 50-100	21 (33.3)	13445	1835	87.38	13.65	9335	1835
2. 101-150	18 (28.6)	11995	2445	135.83	20.38	8845	2445
3. 151-200	10 (15.9)	7540	1940	194	25.73	5430	1930
4. 201-300	8 (12.7)	6275	2125	265.62	33.86	4725	2125
5. Above 300	6 (9.5)	5850	2250	375	38.46	4450	2250
Total	63 (100)	45105	10595	168.17	23.49	32785	10585

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SHELTER POLICY

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## "SHELTER POLICY"

By

H.U. BIJLANI \*

It is well-known that we do not have in India what is popularly called a Housing or Shelter National Policy. But every five year plan lays down the programmes and principles and pegs down the route to be followed in this and other fields.

Often stress is laid on "Affordability" and for that purpose people are categorised in four broad economic groups viz: (1) Economically Weaker Section, (2) Lower Income Group, (3) Middle Income Group, and (4) Higher Income Group. But affordability in a National Policy does not refer only to economic standing or viability of a person but it also refers to the economic viability of the country and the importance it attaches to housing. In order to appreciate this let us look at the policies different countries follow in this field all over the world. The USSR endeavours to provide a house depending on the requirement i.e. the family-size rather than the economic standing of a person or the salary he draws. Many east european countries provide loans at zero interest returnable in 40 years for constructing or providing a house to their citizens. Belgium pursues policies that have resulted in excess of housing stock. There is a popular saying:

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"Every Belgian is borne with a brick in his stomach"  
West Europe, U.K., U.S.A. follow the policy of market loans, housing mortgage and secondary mortgage. In India the Policy was: "Poorer the man lower the rate of interest and longer the return period. Richer the man higher the rate of interest and lower the return period". Popularly we call it the policy of cross-subsidising.

#### HOUSING SHORTAGE

The table below shows how India compares with some other countries in housing shortage:

Country	Period	Total No. of Dwellings Regd.	Total No. Required at the beginning of the period
(MILLION UNITS)			
Indonesia	1961-82	28.62	16.57
Japan	1969-75	12.30	2.46
Philippines	1960-80	9.42	1.26
France	1962-80	10.16	1.11
USSR	1971-80	21.4	17.70
Data for urban areas only			
India	1961-76	33.80	7.80

Source: UN compendium of social statistics 1977.

The developed countries of the West invest every year about 3.6% to 7.6% of their much higher GNP's on their National Housing Stock. The Indian investment in housing sector is about 1%-2% of the country's much lower GNP.

SOME POLICY ISSUES

- (i) The 'housing package' of land, utilities and shelter - in combination with access to work, educational and social facilities - greatly affects the productivity of the poor and their welfare.
- (ii) Cheapest Housing Units currently produced by public sector are beyond the reach of 35 to 40% of population.
- (iii) Differential rate of interest and repayment policy should be based on maxim: Poorer the household, lower the rate of interest and longer the return period. This helps keep the hire-purchase instalments within their affordable limits.
- (iv) Sliding Scale of assistance promotes a feeling of partnership between the lender and borrower and fosters a feeling of being together.
- (v) Higher attention is to be paid to utilisation of land and its development cost. Computer based, systems approach in land sub-division and utility networks should take precedence over ad hoc professional approach.
- (iv) Shelter is a game of "Snakes & Ladders"; the Snakes are:
  - Time and Cost over-runs
  - Deficient/Inefficient Layouts
  - Prodigious Standards
  - Ignoring site conditions
  - Inter-agency co-ordination problems
  - Inadequate delegation of powers

- Use/Abuse of Scarce Materials
- Delays in allotments

Ladders are:

- Land Banks
- Education in Minimum cost Housing
- Optimum land utilisation
- Perspective Planning
- Sound Management
- People's Participation
- Effective Cost Recovery
- Low Over-head Costs
- Own Staff Cadre.

(vii) We have lost years in searching superior technology, chased prefabrication techniques and clung to expensive building materials, higher floor areas, wasted land in low densities - yet over so often new Messiah's are borne who cling to these very 'Snakes' under the garb of engaging 'Consultants' who have no idea of what minimum cost shelter means.

#### SELF HELP

Most housing experts think in terms of self help in building houses. If you look at the cost structure of a small house for the poor, 80% of costs are absorbed by materials and another 15% by skilled labour. It is only 5% of the cost that goes towards manual labour. This income would also stop the moment house is completed. We should

therefore be looking beyond this self-help in 5% of cost structure. The beneficiaries could be utilised more profitably and for longer periods in building material manufacturing process in producing bricks, sanitary equipment, tiles, wooden frames etc. About 90% of building material requirement can be produced and organised locally to feed a given catchment area. In such a process a permanent earning potential can be created, reducing the cost of building material considerably thus making the house cheaper and shifting the loan component from housing loan to production loan. In true sense it could then also be argued that housing is an industry.

#### SIZE OF A TOWNSHIP

Mythology tells us about a wise man who had a novel way of structuring a guest - bed to his visitor. If he (the visitor) was too tall, he chopped off his feet and if he was too short, he put him on his stretching machine and made him suitable for the bed. The host thus was a happy and contented man. Similarly our planners have two ways for planning cities for the urban growth. They either propose to enlarge the city to accommodate more as is being suggested in second Master Plan for Delhi or close your city gates to limit the population as Beijing proposes to do by turn of century. Which, one may ask is the more sensible solution without prejudice to communist approach?

#### POOR MAN'S SHELTER

As time passed and inflation showed its impact, those in charge of poorman's shelter programme, threw up their hands and pushed the R & D efforts; the new ideas and ideals under the rug along with the poor man himself. They changed the affordability standards, principles of rates of interest and

return periods and succumbed to the demands of organised groups to modify fiscal policies which over-looked the poorest of the poor. The easy way out was to cater to people with comparatively higher income brackets and club them with the poorest of the poor. In the last two decades the overall population of India increased by 50% from 45 crores to 70 crores; the population of metropolitan Bombay by 100% from 45 lacs to 90 lacs and the squatter population of that city by more than 100% from under 4 lacs to 40 lacs. This increase in squatter population is the most traumatic and unfortunately this is the population we tend to forget.

#### THE HYDERABAD EXPERIMENT

Amongst the stories of success in shelter programme, we quote the Hyderabad Slum Improvement programme. Are the poorest really benefitting from the programme of slum upgradation in progress in Hyderabad? It is commonly supposed that the poorest of urban poor live in slums. But is that so? This is too facile an assumption. Streets of urban India lined up with pavement dwellers, people staying in pipes or in semi-permanent sites are the ones that come up in forefront. As compared to these, the slums are peopled mainly by communities having their own leaders, heirarchies of social superiorities and subordination. The affidavits of income given by many are doubted but never questioned and in fact readily accepted. Even a casual survey indicates a large number of inhabitants with T.V. antennas and a range of electronic equipment in the houses. These assets are not grudged but only questioned to find an answer if the help is being received by the poorest of the poor termed as economically weaker sections. It is not being argued that help should not be given to families having better economic standing. It is being suggested that the intended beneficiary has been kept out through the organised community strength.

It is also the same strength that helps the slum dwellers not to obey the rules of the scheme - e.g. the rule not to sale the dwelling - legally or otherwise. One may question the validity of such rules to bind a slum dweller to the slum for a life time or bulk of his life. The mere existence of illegal transactions is not in itself a cause of concern. The concern becomes appropriate if the rules of schemes are indeed conducive to the welfare of beneficiaries. To bind the beneficiary and his family to the slum too tightly would perhaps be inimical to social mobility. Should an improvement scheme permit the exploitation of beneficiaries to the extent to look them in the slum is a pertinent question some may like to ask. A host of questions crop up. Questions relating to the total packet delivered and affordability. One might even question the contribution of community development department itself for these projects - the way it selected the slums and the way it handled some successfully and others not so successfully.

#### THE PAVEMENT DWELLERS

Most of the analysts feel that we have shown obsessive concern with the slums - perhaps to the neglect of pavement dwellers. Our attitudes towards pavement dwellers today are the same as we looked at squatter settlements, unauthorised colonies and slums in general more than two decades ago. Little do we realise that our neglect of pavement dwelling is of greater challenge to urban planning and development and therefore our resettlement, re-bounding and upgradation programmes for slum dwellers should find adequate place for pavement dwellers also. The official urban policies so far have neglected this aspect and it is hoped that the national commission on urban development will give adequate attention to this traumatic symptom. The Society for



Promotion of Area Resource Centres, (SPARC) carried out census of pavement dwellers during 1985 in Byculla and Mazagaon areas of Central Bombay since 'E' ward as it is called was their area of operation since January 1985. It covered some 6054 pavement households with an average family size of 4.4 persons in this one ward and the arterial roads alone and the results are startling as reported in their publication titled - "We, the invisible".

- (i) Heads of 13.5% of all households (820 in number) were born in Bombay itself and hence cannot be termed as migrants.
- (ii) Amongst migrant households 60% migrated to Bombay over a decade ago and those around 17% had been in city for nearly 3 decades and 6% for almost 4 decades.
- (iii) 52.4% of the migrant pavement households had owned no assets whatsoever in their native place. A further 27.2% had owned only a hut and nothing else. Only 18.2% had owned land, generally less than 2 acres making them the marginal farmers, only a shade better off than the landless. The survey supports the fact that the poorest of the rural poor tend to migrate to cities in search of jobs.

It is true that long-term permanent solution would lie with rapid and equitable development of rural areas, small and medium towns and growth centres. In the meanwhile "pavement dweller case" which was argued first in Bombay High Court and later in Supreme Court made pavement dwelling a National issue. The pavement dwellers argued that the pavements were public property and they were forced to live on pavements out of necessity. That the right to life includes right to livelihood and if people are paid less than the minimum wages and are pushed below the poverty



line, then their right to life has been violated. The counter arguments brought out that by evicting illegal encroachers from the pavements, they were not being deprived of their right to life and in fact their right to life had not been violated by such evictions. Nor can their right to life will be at the cost of right to life of another section of the public - viz., the pedestrians - who are endangered by having to walk on the road. The Supreme Court judgement delivered on July 11, 1985 "reflects an acceptance of the major arguments putforth on behalf of pavement dwelling is the result of dire poverty and socio-economic distress and of the lack of viable alternatives. Yet the judgement proclaim that eviction of pavement dwellers is legal and permissible as long as prior notice is given and the demolition carried out in as human a manner as possible". It is not necessary the court decreed - to provide alternative location or accommodation to the affected. The court however does not tell where they should go - although when the petitioners asked the court to define the rights of a child born on the pavements, Chief Justice Chandrachud is said to have put it, the pavement is their Matrabhumi.

#### URBAN ARROGANCE

Most of us who are engaged in the game of urban planning or development suffer from what may be called "Urban Arrogance". Even though we do know that the target group comprises - the poor who form an overwhelming majority in our country, our plans, controls, regulations and bye-laws continue to be elitist. We continue to show-off our skills in the huge costly structures which this target group cannot afford. We want to build fly-overs and wide avenues even though the vast majority of population goes about on bicycles, our infrastructure plans continue to be costly and westernised and our bye-laws continue to be such that almost the entire code would seem irrelevant if a small one room shelter is to

be built for poor man. Such attitudes on part of all of us whether we are engineers, architects, planners or generalists reflect what I call "Urban Arrogance".

When we think of a "city beautiful", we come face to face with the problem of development control. But there cannot be beauty without convenience and in a country, where three out of four families live below the poverty line, the beauty of a city or life for the common man have connotations very much different from what we may have imagined so far. Controlling development is a game you cannot win. When you plan for the masses or the urban poor the development plans, the residential structure, the utility services, the common facilities cannot be spectacular and one is out-right condemned by the elite, the Pseudeintellect and the nove rich for thinking small, for lack of ingenuity and dimension for being backward in a world which has made fantastic strides in technology. It is due to fear of this criticism that we forget the purpose and the object of creating a convenient and a comfortable city for a common man and instead want to ape the form and shapes we have seen elsewhere without realising or taking into consideration the whole city - a unity of expression within which each urban structure, facility and service is a sub-part of the whole. Slum dwellers after all are only symptoms of urban ills and not the cause. Our urban society depends on this mass of unskilled and underpaid labour. When we want to conceptualise our ideal city or want to restructure the same, it has to embrace every one including this underpaid and cheap manual labour. In our seminars and workshops we invariably talk about the economically weaker sections of the society but we do precious little in our developmental, physical and fiscal plans to look after them within their paying capacity. This forgotten man, therefore, crufts with his own meagre resources in squatter settlements, unauthorised colonies, slums and pavement dwellings. We

then look aghast at these human settlements. Where we dreamed a park, a fastoring slum is born, the area marked for a school yields place to a heap of rubbish and where our children were to swing and play-ball, pigs and ghoulish creatures abound. Out of anguish, we try to create a dream settlement nearer to our hearts desire. Little do we realise that there is one thing worse than these slums and squatter areas and that is bulldozing these slums without providing shelter to these poor people.

#### ORGANISE THE UNORGANISED

The urban poor are largely unorganised and ill-informed. Most of them would not even dare enter the offices of urban planning and housing agencies. No wonder most of housing agencies often refuse to pick-up funds for weaker section housing on the plea that there is no adequate demand for such housing. What they forget is that a poor man in order to earn his livelihood for his family leaves home early in the morning and returns late, all fatigued and fagged out. If he has to go to any office to register his name, he has to forego that day's wages which he cannot afford to do. Such people have to be organised and adequately informed and helped. The organisations catering towards shelter for such people have to be told that these people cannot reach them but they have to reach the poor - they have to go to their tha-ched huts in slums and pavement dwellings and offer them schemes like "Environmental Improvement", "Squatter Upgradation", "Sites and Services", "Core Housing", "Skeletal Shelter" etc. with ownership-rights. The elite amongst the professionals and administrators often feel that such a multiple approach of reaching the poor produces an environment which goes against their known concepts of physical planning, dreams & design to produce a "city beautiful" or a "Garden city". That may be so but when one comes to the realms of reality and looks towards the abysmal poverty of

our target groups, one has to think in terms of that affordable shelter which when provided will make the poor man more proud of his poverty than the rich is of his wealth.

Non-Government-Organisations can provide a major thrust in that direction - towards a confident exploration, a daring adventure, a heroic effort and so, to a better tomorrow.

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MANAGING THE DEVELOPMENT OF URBAN HUMAN  
SETTLEMENTS

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## "MANAGING THE DEVELOPMENT OF URBAN HUMAN SETTLEMENTS"

S.K. Sharma\*

It has been projected that by the turn of century, the urban population will double itself. Urbanisation is a sign of economic growth, however, when the population of, say, a thousand village scattered over a dozen districts converge on a single city, it is not always a healthy process.

Additional population will have to be accommodated in the existing urban centres or in new towns developed as part of an overall planning strategy. If the existing area of the town accommodates the immigrants then the basic infrastructure of the city crumbles under the pressure and standard of living in the city deteriorates rapidly. Social infrastructure in the form of schools, health centres parks etc. also become inadequate, much to the chagrin of the people, administrators and the planners. However, if the increased population is attracted towards the new residential areas, then these areas have to be properly planned and their linkages to the mother town should be well established. Failing this, the pressure of the increased population will start telling on the new areas and these areas will soon become unattractive or sick.

Deficiencies on the physical and qualitative aspects in the environment is prevalent to degrees in different settlement pattern with its attendant sociological and health implications. While considering options for providing solutions for improving the environment in general and the needs of hygienic and sanitation requirements in particular, one has to differentiate the approach while considering the needs of metropolitan cities, small and medium towns and villages in different perspective and here again adopt appropriate solutions which are relevant to built up areas and new settlements. In addition to the efforts for improving the environment in existing human settlements by either upgrading the levels of facilities for water

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supply and sanitation etc., it is also important to ensure that the environment created in newly planned human settlements are conducive and provide for right quality of life. This can only be ensured by bringing in comprehensive planning design and implementation inputs for proper environmental development in human settlements.

These demands on planning get further complicated in a country like India where the problems of the poor have to be related to the needs of a growing economy. Scarcity of land for residential purposes, a direct result of urbanisation, is due to two important reasons. (a) Demand of land for Industries and (b) Hoarding of land by a marginal few. In both cases the poor of the area are affected. Vast stretches of land acquired by the Industrialists does not have provision of houses for its workers as a result of which makeshift arrangements erupt in the form of slums. An area becomes slum more because of poor allocation of basic facilities than because of the structure. In the case where huge plots, within the city and its outskirts are bought and developed as residential colonies, the planning makes no provision for the poor who will naturally be attracted to these areas for domestic jobs. Hence planning becomes directly responsible for these poorly built environment.

Review of projects received in Hudco also revealed that planning and professional failure results not only in poor quality of built environment, but also hidden cost due to wasteful utilisation of spaces and designing of services, cost and time over run. The present concept of planning is thoroughly normative. The planning team undertakes planning studies, prepares layouts, develops architectural designs and hands them over to the project wing for further processing and execution. The project wing, on their part prepare the structural and services design, quantities and estimates and

executes the project. There is hardly any coordination between the two and the planners are seldom aware of the exact position of the site. This lack of coordination makes it difficult for the accounts and vigilance department to exercise proper contact-due to insufficient details and poor estimation-often leading to innocent site engineers getting into trouble. The economic, social and environmental conditions are neither coordinated nor related to the planning details. The planners very often are provided with mere site dimensions on paper on the basis of which the design is developed. The planners do not get to visit the site before developing the plans, as a result environmental settings play no part in the project planning. A very obvious example is the Alaknanda Housing Complex in Delhi is one example where a certain design was developed and replicated over and over again without deeping in mind the setting, neighbourhood conditions or other related factors. The natural slope was flattened, surroundings were blocked by blank walls with the result that the entire housing complex is reduced to big, blank blocks of houses.

Planning also suffers due to its extremely rigid standards. Age-long concepts are still brought into practice without adhering to the changing conditions. Indian Metropolises have grown with the sudden thrust of industrialisation which bring with it the rapid pace of urbanisation. It has to be accepted that new problems have to be resolved with new solutions and hence the prevailing planning standards need to change with the changing times. Planning today is faced with a greater responsibility and the blanket legislation adopted results in deteriorating conditions of the built environment. The norms and standards in planning, formulated by the local authorities are rigid and uncompromising ignoring the developmental needs in the various areas within the city.

The influence of the individual or their representative organisations is negligible at all stages of the project. There exist various social action groups and Non Governmental Organisations who can play a vital role at the project formulation and implementation stages based on the policy and programme framework of the Government. But these organisations are not given enough encouragement which cautions other such organisations and voluntary bodies from coming forward and supplementing the efforts of governmental agencies in achieving the decade goal. NGO's if given proper encouragement can reduce the total cost of a project considerably due to its comparatively low overhead costs.

Managing the urban human settlements thus basically acquires two dimensions. One relates to financial and institutional aspects and the other, rather more important to professionalism of Human Settlement Management issues. In this paper, I shall dwell mainly on the professional aspects.

Urban planning is of late, searching new orientation. The first generation of comprehensive planning talked of land use, transportation, housing etc., the new generation is more problem oriented. Planning, it is now felt, should not be normative but participative, planning organisations should be flexible rather than rigid. The economic, social and cultural setting has to be related to the fluid, dynamic and inter active relationship in modern society. The quality of life in human settlements, be it in urban or rural areas, is to a large extent dependent on the environmental setting. The distribution of the land spaces for various uses like industrial, institutional, residential and business character would have its effect on the environment around the human settlements generated, if at all land use planning has been attempted/operated for the town development.

While the needs of planning are becoming more and more complex, we seem to be still struggling at the rudimentary levels of physical plans. What we need is not plans but planning which legitimises itself. It is a challenge which the planners and architects have to face in the coming years. If we are to meet the challenges of the coming years in a meaningful way, the process of planning will have to be given proper orientation and planners and architects assigned their due role. If the present day planners and architects suffer from inadequacies, their training and exposure will have to be improved. Recognising the importance of sound planning and design development, HUDCO has been reviewing the procedures and practices being followed by the various Housing and Urban Development Authorities and has been issuing guidelines in this regard. The matter was discussed at length in the conference of Chief Executives of Housing & Urban Development Authorities held in October, 1985 followed by indepth deliberations by a Select Group Seminar in December, 1985 and discussions in the National Conference of the Institute of Town Planners in January, 1986. It was a general view that planning and designing were receiving much less attention than was required leading to various deficiencies in project execution and that the procedures and practices needed to be re-organised to ensure proper attention to planning and designing. It is indeed heartening to note that awareness in this regard is thence emerging at all levels. The establishment of a Central Department of Architecture is actively under consideration of the Central Government. The Council of Architecture in which representatives of the architectural profession, Indian Institute of Engineers and the Chief Architects of Central and State Governments are members, has evolved proper standards which are being gradually accepted by various organisations.

HUDCO, as a national level institution deeply involved in housing and urban development, has taken various initiatives for establishment of proper standards which has led to growing awareness among various agencies with regards to vital role of planning and architecture in the development of human settlements. While planning for poor is the biggest challenge in as much as an effort has to be made to create a meaningful environment at affordable cost optimising the use of scarce land, the overall planning especially of high intensity activities, needs to be backed by proper urban design studies. Instead of creating mundane forms, urban design has to attempt the evolution of integrated form reflecting the traditional pattern of economic and social activity while at the same time, meeting the model requirements of transportation, parking, circulation etc. For example, Overhead Water Tanks constituted a strong element in the city scape. Delhi Urban Act Commission has repeatedly noted and disapproved the unruly mushrooming of water tanks all over the city. A competition of innovative design was promoted to inspire and cultivate a sense of aesthetic awareness on the subject of water tanks. The design received were then compiled in a monograph which is being mailed by HUDCO to all its borrowing agencies. HUDCO has initiated a research and documentation study on Functional Overhead Water Tanks and some very interesting designs as multi-storeyed buildings, entrance gate or village temples were discussed. Bombay Tower Restaurant at the Asian Games Village, Delhi is one such example. To facilitate the above mentioned, HUDCO has offered to provide urban design study support to the various Urban Development Authorities, particularly those in small in medium towns. The present practice of according approval to building plans for each plot of land need to be discouraged. It is necessary to impose overall urban design form and thus integrate various built form into a viable urban design. Each plot owner can get his or her share of plinth area and pay on proportionate basis the cost of overall urban design.



Hence, Condominium approach in ownership of housing needs to be promoted as against individual family owned houses and the semi-public, public spaces maintained by the Local Government. It ensures better maintenance of community assets and adequate supply of basic services. Under the Condominium system an owner "buys the set of air rights defined by the walls, floor and ceiling of dwelling unit. All the structural land air space outside the various unit is common to owner of all the units." According to the financial capacity of the residents the initial essentials can be introduced in the Condominium and gradually other recreational and optional facilities can be added. The residents would amongst themselves form an association, which would develop its own set of bye-laws and in some cases registered as a Society or a Cooperative. The maintenance cost of each Condominium will vary.

The cost of maintenance and the method and means of it shall be clearly indicated in the contract. Monthly collections should ensure garbage collection and maintenance of estates. Due to inflation, as and when the prices increase, monthly fee should correspondingly increase. This Condominium approach provides an ideal solution to help house the poor at low initial cost with a provision of neighbourhood quality which is bare minimum to begin with but with a potential of further growth.

This approach is also in line with HUDCO's approach to reserve 5 per cent of the project areas for the shelterless families. HUDCO's proposal of setting apart 5 per cent of land of any development project for the shelterless category was discussed in the IYSH Conference held in February 1985<sup>and</sup> was generally welcomed as it offered possibilities for developing a Land Bank of shelterless category. There are two important aspects of this concept. The first is that the poor people generally do not find employment opportunities in new areas under development and are reluctant to move in there. Under this concept, 5 per cent of the areas under development will be held in the Land Bank and allotted to the poor when the colony gets developed and the location becomes attractive to them.

It is to be noted that if this process had been started some years ago we would be having sufficient land in the land bank to settle a lot of poor. The second aspect of this concept is that, since 5 per cent of the land under development would be handed over to Slum Clearance Board or other appropriate authority free of cost, spreading its cost to the overall development, there would be no holding cost of this land. In other words, the State Housing Agencies would not be burdened with interest liability for holding on to this land. Land Bank for Shelterless will thus help in providing solutions to the problems of the urban poor.

HUDCO is also concerned about the environmental hazards caused due to failure in planning and implementation. Healthy environment is the key to acceptability and prosperity to the human settlements. Indian metropolis grown with sudden thrust of industrialisation and consequent economic development are suffering from unhealthy environment. Thus we have high dosage of flyash from Indraprastha Thermal Power Station in Delhi and Sulphur based fumes from Petrochemical and Fertiliser Complexes in Bombay with the wind direction bringing that into the environs of nearby housing colonies, and the memories of Bhopal gas leak is still raw. In spite of these, except for Save Ganga Project nothing concrete is being done.

Alongwith these environmental hazards that beset the urban population in general, no attempt is made to integrate in a scientific manner the informal sector efforts with city planning. As a result we get overlapping cities as if one segment is for the rich and the rest for the poor. If this overlapping acquires a high degree of intensity then we declare it a decaying city. Once again the planning practices are put to question. The complex requirements of planning require the involvement of various specialists and positive interaction between social, economic and physical planners. There is, therefore, the pressing need for the profession to organise itself into multi-disciplinary groups which would take the responsibility of identifying the



best talent in various fields and coordinating their efforts. Rapid urbanisation poses a direct threat to the protection and conservation of the country's numerous historic cities. If on the one hand it is imperative to evolve new methodologies to provide better human settlements, on the other hand it is also essential to conserve and protect the basic historic culture of the city. Many of our Indian cities are facing a survival crisis which is becoming increasingly acute in the face of urbanisation. An attempt to clear and then reconstruct the ancient part of the city has resulted in complete wipe outs, in patches, of the traditional architecture of the area. Third World Countries have now recognised the importance of urban conservation and efforts are being taken to protect the buildings and areas of historical and architectural value.

The aim is to maintain the character of the city specially the heart of the old city and assigning and encouraging the use of ancient buildings in contemporary society. The objective is not only to preserve tradition but to accept changes without a break in tradition. Jaipur, for example is a flat plain city with City Palace as the most prominent structure. Institution of tall multi-storeys will definitely spoil the sky line of the city.

It is heartening to note that in Jaisalmer a consistent effort is being made to maintain the original character of the city. There is a restriction on the construction of double storeyed buildings and all the shops signs are required to be of a uniform kind. There are about 500 families living within the Jaisalmer Fort which could pose a danger to the fort if conservation methods are not resorted to immediately. Some years ago a circular overhead water tank was constructed which is architecturally unsuitable to the surroundings. Overhead street lighting besides being dangerous in the clustered fort premises are also not in keeping with the culture of the Fort. While some dis-congestion may be necessary, shifting of the entire

population will be a retrograde step. The Fort, which at present represents a rich architecture and life style heritage, will get converted into a cold monument of stone and relics. Hence, the best way to conserve it will be inclusion of the community related to it. The environment can be improved to a considerable extent without disturbing its basic character. It is only in this manner that we shall establish or develop town scape which is Indian in character and form and of what as individuals, institutions and the society can feel proud and call it representing its ethos. The Vastushilpa Foundation established by BV Doshi and a few other similar organisations are attempting to do precisely this. There is a pressing need of such organisations and a greater need for utilising their services. HUDCO has also engaged the Vastushilpa Foundation to establish "Code of Human Habit" which will help add the qualitative dimension to human settlement planning in HUDCO.

To avoid under planning of projects, practice of availing the services of human settlements consultant should be soundly developed. The jobs allotted to them should be on merit basis and not through tenders and quotations which often deteriorates the standards. To facilitate the appointment of such consultants, HUDCO proposes to create a Data Bank of Architects and their associate consultants in association with Association of Consulting Engineers and the Council of Architecture. Soon after the completion of the project, the Public Undertaking should fill in proforma provided by HUDCO on the consultants who handled the project so that Data Bank of HUDCO is updated for future benefits.

Today, management education is inadequate both in architectural and engineering institutions, management skills being largely acquired through work experience. It will be necessary to strengthen management training for architects who entail to go in for management jobs. In view of the

large requirements of architects for management as well as design jobs which will follow the recognition of architectural as the lead discipline, architectural education will have to be substantially strengthened not as an appendage engineering but in its own light with special studies in management disciplines. Furthermore, after recruitment, induction and refresher training in various aspects of management and field operations, which is also practically non-existent today will need to be introduced.

As a premier financing institution in India in the field of housing and urban development, HUDCO felt responsible to provide training support to the personnel not only its own borrowing agencies but also other professionals engaged in similar fields. HUDCO's sense of responsibility took the form of Human Settlements Management Institute (HSMI) in 1985, as a national level training and research institution in the field of housing human settlements and the science of urban development. The Institute will draw upon wider experience within the national context while providing for and catering to training and research needs of housing agencies and local bodies. Further, pedagogic and faculty support is being provided to the institute by various national, international and multi-lateral institutions. The Institute works towards the identification of training needs at managerial, professional and technical levels with housing institutions, governmental as well as non-governmental sectors. It also undertakes development of curricula, training modules, manuals and teaching aids and provision of professional development programmes in the form of workshops, seminars and creative interaction meets for personnel in various human settlements agencies. Pilot or demonstration projects are also set up by housing and human settlements agencies, with the help of institute. To fulfil its objectives, the institute along with visiting faculty from IHS, Rotterdam, has already conducted several workshops on Settlements Design, Neighbourhood Improvement and Slum Upgrading, Construction Management, Area Planning

and Management etc. Considering the voluminous work involved, we will also need substantially more planners and architects. The planners and architects will have to play a coordinating role relating economics, social and cultural characteristics to the needs of growing economy, continuously reviewing and updating the strategies as part of the planning process. They will have to be brought into positive decision possessions from which they can play the role of effective instruments of development. Proper standards of performance with recognition of cost and time involved will have to be established. It is only then that a meaningful built environment in urban areas can emerge in which the economic, social and cultural activities can be enacted, with the poor fully integrated in the fabric of the society.

To achieve this goal, we need appropriate legislative support to help effective management of human settlements. The laws in vogue today <sup>are</sup> highly disaggregated. What we need is a set of basic laws in human settlements sector which deals with resource mobilisation, define institutional role at national, state and local level, promote security of hire - purchase lending by facilitating fore closure of mortgage, establish secondary mortgage market and mortgage insurance including housing policy resolution stating the objectives, private public sector roles, housing as an industry, including registration of promoters, resolution of corporate development including cooperatives and condominiums rent control, housing and land price control, formal informal housing, required housing data base, international cooperation in housing, institutional intermediation, investment process, income tax exemptions. At the national level these basic laws can be taken care of through enactment of a National Housing or Human Settlements Act. The Act could provide for the setting of a National Bank as a refinance institution and lender of the last resort and as an institution regulating and coordinating state Human Settlements Regulation Authorities constituted at the

state level for administering the act and financing and regulating savings and loan associations set up at the local level.

It is hoped that with the joint efforts of the government agencies and the profession, better performance in human settlement planning would be achieved in the coming years.

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HOUSING AND THE URBAN POOR

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## HOUSING AND THE URBAN POOR

: P.S.A. SUNDARAM

Even a casual glance at the present housing situation in the country would reveal that the gap between demand & supply is increasing at an alarming pace, that the present level of investment in the housing sector is low & inadequate, that the housing agencies in the private & public sector are neither building fast enough to meet the growing needs or building cheap enough to reach the poor & needy, and that the urban poor is largely devising his own solutions to meet the shelter problem. The shortage of housing at the beginning of the 7th Plan was estimated by the National Buildings Organisation (NBO) at 5.9 million units & is widely distributed across different urban areas. The increase in population between 1985 & 1990 is expected to generate an additional requirement of housing units to the extent of 3.8 million units in urban areas. This means that weven if the aim is only to freeze the existing backlog in housing shortage, it would be necessary to build atleast 3.8 million units during the Plan period. This makes clear both the magnitude of the housing problem & the need to break from the previous pattern of slow & unsystematic growth of housing activity. It also calls for a radical reorientation of policies relating to the provision of services sites in urban areas, finance for housing construction on a large scale, development & application of low-cost technology in shelter, the role of public & private sector, & the removal of impediments to housing for different income groups, especially the poor. This has become particularly urgent in the context of the goal of Shelter for All by 2000 accepted by the Govt. of India as part of the International Year of Shelter for the Homeless being observed in 1987.

A qualitative study of the housing shortage makes the position more disquieting. According to the NBO, about 68% of the housing stock is pucca, 24.7% is semi-pucca & the balance is

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The views expressed are those of the author and not of the Organisation he represents.

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unservicable kutchas. Nearly 48% of households live in one-room units & 28% in two-room units. The position is much worse in the metropolitan cities reflecting the tremendous overcrowding resulting from urbanisation & population growth, as also the lack of affordable shelter on rent or on ownership. The percentage of households living in one-room units is 67.6% in Calcutta, 77.4% in Gr. Bombay, 65 in Pune, 57 in Delhi, 59.6 in Kanpur, 57.5 in Ahmedabad & 53.6 in Madras. About a million people live precariously in 20,000 old & dilapidated buildings in Bombay island and await an imminent collapse, the great efforts of the Repair & Reconstruction Board notwithstanding. Allowing for variations across the city, the urban population served in uncertain & inadequate quantities of potable water is 81%, while those served by some form of sanitation is about 50% in 1985. Conventional estimates of housing shortage do not include the housing stock in slums & squatter settlements, where about 33 million people are estimated by the Planning Commission to be living at the beginning of 7th Plan. Basic amenities like potable community water supply, latrines, drainage, streetlighting & paved pathways are reported to have been provided to about 15.6 million by 1985. Over 13 million people are estimated to be living in metropolitan cities & the proportion of total population living in slum forms an average of 31% & as much as 45% in Bombay. The houses are constructed in the slums of materials ranging from polythene sheets, mats, dry twigs, gunny sacks to recycled tin sheets, broken bricks in mud mortar & plaster, clay roof tiles, thatch etc. About 50% of the huts are on public lands, although the proportion of huts on private lands is much higher in cities like Kanpur, Ahmedabad and Calcutta.

While slums undoubtedly house the urban poor, it would be wrong to conclude that slum improvement & poverty eradication are the same thing. By the Planning Commission's own estimates of persons living below the poverty line in urban areas, the urban poor would number over 63 million, while 33 million live in slums. The income profile, of course, shows that the levels of income are much lower in the slum areas than for other low income households. Over 65% of the Baroda households in 1976 earned less

than Rs.200 per month. Domestic servants and casual workers occupy the bottom of the earning scale, and next come the temporary workers. The self-employed persons were engaged in petty trade or small business, household crafts, services like tailoring and transport services. Over 56% of the slum households in Ahmedabad in 1976-77 earned less than Rs.50 per capita p.m. and it was estimated that about 92% of the households would require supplementation in terms of amounts required to bring them above the poverty line. According to the slum census in Gr. Bombay, 66% of slum-households earned less than Rs.500 p.m. & 40% earned less than Rs.350. Further studies on the informal sector indicate that not only are the incomes in this sector lower than that of the formal sector, but that they tend to stabilise at low levels and remains stagnant thereafter. As compared to those in slums, 54% of the population earned less than Rs.600 p.m. The people living in substandard dwellings in Bombay had better level of income with only 20.0% earning less than Rs.500p.m. according to a study done by the Tata Institute of Social Sciences (TISS) in 1983, 43% of the same households earned between Rs.500 and Rs.1000.

The importance of housing for welfare and economic development is well-recognised, especially when it is defined to include not only buildings, but also the land, services, and the neighbourhood in which it is situated. It is a major outlet for private household savings and generates employment at low foreign exchange cost. For the poor, it provides substantial private and social benefits in offering protection from the elements, space for work and leisure and access to sanitation, education and health services and to employment opportunities at or near the dwelling. In spite of this recognition, urban housing needs are seen as a bottomless pit because of the manner in which the assessment of the problem is made. The exercises begin by defining standards of adequacy in terms of space, structure and services at levels comparable to those of middle income housing, which are beyond the capacity of the poor to pay. The implementation of public housing projects, based on such standards, in fact have often aggravated the housing deficiencies of the majority of poor

urban households since they tie up scarce resources in a small number of housing units, usually for the benefit of the better-off. A different view of the urban housing problem has been gaining ground in India and elsewhere. Housing shortages, overcrowding, poor services, and escalating prices are seen to result from a failure of land, services and shelter to expand commensurately with the rapid increase in demand for housing in proportion to the composition of different income groups. The poor are particularly adversely affected since they have neither the resources nor the influence to bid for scarce supplies of housing. They also tend to suffer from higher rents either in formal housing or in the slums, rather than benefit from increase in the value of housing. It is paradoxical that public policy, which crucially influences the supply of shelter, finance and legal framework for housing, has in fact been working at crosspurposes with the declared objective of housing for the poor.

A review of the social housing schemes introduced by the Government of India and the state governments from the First Five Year Plan onwards reveals that the bulk of the investment has gone towards construction of formal housing by Government, semi-Government and cooperatives. The total production of houses through state budgetary support over a period of over 35 years is a tiny proportion of the country's total effort and a small fraction of the real requirement of housing for the poor. As the Task Force appointed by the Planning Commission in 1982 scathingly remarks, despite objectives in favour of the poor stated in the Plan documents, there is insufficient evidence of the extent to which urban poor have benefited from these schemes. The scheme criteria fixed for eligibility for public housing are outdated and the selection procedures adopted by public agencies often fail to reach out to large segments of people in need. It is clear that even if additional effort had been made and larger funds approved in the public sector, the production of formal housing would have had little impact on the market, since this was not the best way to apply limited resources available for housing. (The allocation for housing as a percentage of total plan outlay and as a percentage of total investment in the economy has been coming down steadily



over the Plan periods.) The conclusion reached by the said Task Force is that although various Plan schemes have played an important role as catalysts in the housing sector, they have mostly benefited the middle and income groups and have made a marginal contribution only. Studies made by HUDCO show that houses constructed for a particular income category are largely occupied by families in the higher income group as repayment of the instalments is beyond the capacity of the income group for which the houses are meant. It is concluded by the Task Force that the bulk of the housing of all income groups, particularly the poor, is supplied by private initiative in a number of ways, and this is so even in Delhi where public agencies have near monopolistic control over land and a huge machinery for construction.

The irrelevance of present public housing to the housing needs of the poor is shown by a few telling figures. According to a World Bank study, 64% of the households in Madras, 63% in Ahmedabad and 68% of families in Nairobi cannot afford a house costing more than Rs.5000. If a housing budget profile is constructed out of the monthly repayment capacity for shelter and the cheapest credit offered by HUDCO, in the case of Bombay. This shows that in 1982, only about 20% could afford a conventional house costing upto Rs.20,000, 38.7% could only afford a serviced site with core house costing about Rs.10,000, and about 27.5% could afford only a serviced site costing upto Rs.5000. The position is worse for the pavement dwellers, according to a survey done by the College of Social Work Bombay, with 86% of them being able to afford only a serviced site with or without a core house.

One important consequence of the assumption of responsibility for housing by the Government has been the establishment of various public agencies to undertake land acquisition, development, and construction of houses for various income groups with the help of funds provided in the state budget and loans from institutional sources. This was underscored by a policy of large scale acquisition and development of land



by state agencies as a plank of social control over land. The record of public agencies in the assembling, development and disposal of land has been uneven. Some agencies like the Delhi Development Authority have acquired huge lands and assumed near monopolistic control over land, while elsewhere, the process of acquisition has been slow and tortuous, and stalemated by court orders. The acquisition proceedings, reservations in the Development Plan and litigation had tied up vast tracts of land from orderly development, even as these lands were invaded by squatter settlements, or converted into unauthorised colonies. The public agencies were further guilty of not bringing into the market sufficient supplies of developed plots and holding on to the lands with them on account of various factors like organisational inadequacies, shortage of funds, lack of services, development reservations etc., The freezing of vast tracts of land due to the Urban Land Ceiling Act, and the slow marketing of land by public agencies, has had the opposite effect of desired land policy on the poor, and has failed to curb speculative activities in land. The Task Force on Shelter points out that the effect of land policy has been to drive the poor to illegal squatting, being squeezed into overcrowded conditions, or to residence at long distances from their workspots, and recommends a careful consideration of the policies of rent control, urban land ceiling legislation and land acquisition. Apart from their record in land development, the experience of the past thirty years has shown the woeful limitations of governmental agencies to cater to the needs of low-income families in terms of cost, quality, functional adequacy, location and cumbersome processes. In spite of striking examples of encouragement of private initiative and low-cost self-help housing, the public agencies are still patterned on the bureaucratic model and adopt a rigid brick and mortar approach.

The failure of the existing institutions to build cheaply and speedily on the one hand, and the positive evidence that people have the necessary skills and ability to build on the other, is enough justification to seek people's involvement

in the housing process. As the Task Force on Shelter affirms, "people's involvement in housing programmes meant for them is much more than a philosophical stance, it is of critical material relevance." The Seventh Plan document asserts that the major responsibility for house construction would have to be left to the private sector, especially the household sector. Building according to the differing preferences and requirements of different households and economy in house construction can become possible only if the homeowner himself participates or becomes responsible for house construction.

In order to ensure that the pronouncements in the Plan document do not remain pious wishes, it would be necessary to identify and remove a number of impediments to housing for the urban poor. These include legal access to serviced land in appropriate locations, access to institutional finance at reasonable terms, restrictive building regulations and planning standards, cumbersome land registration and leasing requirements, supply of reasonably priced building materials, proximity to workplace and employment opportunities, integrated provision of basic services, and removal of the bias entrenched in present perceptions and procedures of public agencies.

A number of policy responses has been made to these problems by the central and state Governments and agencies like HUDCO. The World Bank assisted projects in Madras, Kanpur and Bombay have formulated affordable low income shelter programmes based upon the large scale provision of sites at prices affordable to the low income groups, and on the upgradation of slums based on the grant of tenure to the slumdwellers and home improvement loans together with basic amenities. The HUDCO has laid down ceiling costs for housing schemes for various income groups based on the monthly repayment capacity and has prescribed interest rates and repayment periods on a sliding scale. About 55% of HUDCO's finances and 80% of dwelling units financed are for the low

income groups. The 20 Point Programme of the Government emphasises the provision of basic amenities for slumdwellers and expansion of housing programmes. The Plan document calls on the Government to set before it a clear goal in the field of housing and launch a major housing effort: not so much to build but to promote housing activity through the supply of fiscal and financial infrastructure such that every family will be provided with adequate shelter within a defined time horizon. It also calls for the establishment of a proper and diversified institutional structure for housing finance and construction, and a changed role for Government in the form of developing the necessary delivery system in the shape of a housing finance market and taking steps to develop land and make it available at right places and at reasonable prices. Major initiatives for amendment of the Rent Control Legislation are in process and the present Act is proposed to be amended in the interest of encouraging housing activity in Maharashtra. The Indian Standards Institute has developed a Manual for low income housing and all the state governments have been advised to adopt it. The HUDCO is also promoting the preparation of imaginative layouts to increase density and to reduce costs of land and infrastructure, economy in use of materials, adoption of local techniques and materials, and the use of prefabricated components. Fiscal concessions have been made to some extent to encourage investment in housing and housing agencies.

Despite this, and examples of successful housing effort in Hyderabad, Madras and elsewhere, shelter for the poor continues to be intractable. The strategy for housing the poor has to start with a change in the official and intellectual perception of why these people come to the city, how and where they live, work and commute. Far from being parasites on the organised sector, the so-called informal sector, slumdwellers and the pavement dwellers constitute a vibrant productive sector of the urban economy. The prospect of good shelter does not initially enter into the reckoning of the poor. It is over a period of time that

the temporary settler becomes a consolidator. Without any intervention from the formal institutions--against all odds--they build shelter on their own and go through all the processes that a formal housing agency goes through.

They depend on informal systems like friends, relatives and moneylenders for finances, and no institutional arrangements to secure small sums for repair and expansion of their houses. There is little formal design, the materials are often recycle, and yet they are able to construct dwellings at costs much less than any organised system of construction would permit.

The Public agencies should recognise that the impediments to private initiative constitute the opportunities for positive intervention by them. They should take a comprehensive view of housing for the poor as a component of integrated programme of services, which may include health, education, recreation, mother and child care, support of income-earning activities and access to the places of employment. They should cut down their construction programmes and assume their legitimate functions as planners and promoters of critical infrastructure, and enablers of housing by the poor. They should concentrate on helping people with activities that they are not by themselves are not able to perform viz.,:-

- a) Public services, such as water supply, sanitation and social amenities;
- b) Land acquisition and development;
- c) Availability of housing finance at reasonable interest rates, and in desired quantum, for new construction as well as repairs and addition of housing elements;
- d) Providing access to materials in typical use as well as technical help regarding design and construction, and develop a range of technical measures for improving the rudimentary shelter put up by the urban poor on sites allotted to them, or upgradable slums eg., waterproofing of mud walls, treatment of thatch, low cost pit privies etc.,



- e) Providing security of tenure on developed sites as well as upgradable slums, and clarifying land titles, terms of registration, and generally making land transactions less costly and cumbersome;
- f) Removal of legal and administrative obstacles to housing for the poor especially a review of legislations relating to slum improvement, rent control, urban land ceiling, land use controls, selection procedures of public agencies and the dissemination of information as regards the allotment of housing sites etc.,
- g) Involvement of the community and voluntary agencies in the design and execution of shelter and slum upgrading schemes on the lines on the Hyderabad project and the Urban Basic Services strategy of UNICEF, and link up the activities of different government and formal sector agencies like the commercial banks in respect of all matters affecting the urban habitat.

"The recent responses of the Government like Sites and Services, slum upgradation, urban community development, urban basic services, Integrated child development services and the self-employment programme represent a relatively better assessment of the situation, a more realistic attitude to resource constraints, and a broader framework involving the people. However, most of them are in their early experimental stage, are not reaching even a small fraction of the people they are meant to benefit, and are floundering on the implementation front", as an unpublished paper by Kirtee Shah and S.C. Jain notes. We have realised that the traditional approach to housing in terms of its broad objectives is concerned with architectural standards and is largely irrelevant given the basic facts of poverty and urban growth in India. The approach from now on needs to concentrate on ways to involve the people, rather than only rely on official effort, on more effective methods of cost reduction, reduce impediments to housing activity of the poor, and make the programmes and projects need-based and relevant.

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NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

TOWARDS UNDERSTANDING THE HOUSING  
MARKETS FOR URBAN POOR

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## TOWARDS UNDERSTANDING THE HOUSING MARKETS FOR URBAN POOR\*

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Proliferation of slums in urban areas is reflection that a significant part of population finds it difficult to have access even to the smallest and the lowest cost conventional house in the formal housing market. Their everrising number is an indication that increasing segments of population are being bypassed by the formal housing markets in urban areas. Excluded from the formal markets, the urban poor have developed their own markets which operate outside the legal framework of building bye-laws and land use plans.<sup>1</sup> The size of this market relative to the formal housing market is not insignificant. A major portion of this housing is identifiable by its 'Inferior' quality of structure and by its conspicuous illegal character. This type of housing is mainly Kutchha and semipucca and is enumerated in census as such. The quantum of this housing in urban areas has increased from 6.7 million units in 1971 to 9.5 million units in 1981.<sup>2</sup>

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\* Paper presented at National Seminar on Development Programmes for the Urban Poor, held at IIPA, New Delhi on 2nd and 3rd February, 1987.

I am extremely thankful to Mr Mulkh Raj for discussing the subject matter of this paper on several occasions.

1. Not all the groups residing in these house can be defined as poor in the strictest sense of the term. Conversely, not all the urban poor live in these 'illegal' or Informal Settlements.
2. The number of kutchha and semipucca housing units in urban areas is almost the same as the number of households residing in urban slums.

The other part of informal urban housing market which is not readily identifiable is the one whose structure conforms broadly to the conventional housing standards but violates other city laws and regulations. Thus, e.g., the land may be illegally occupied. One or other permissions for putting up the housing structures might not have been obtained or the construction might violate one or more of the construction codes laid down by the city Governments.<sup>3</sup> According to a survey conducted by Delhi Development Authority (DDA) there were 55400 such structures in Delhi in 1975.<sup>4</sup>

The size of the informal housing market is a reflection on the failure of the governmental programs to even touch the fringes of the problems of housing the poor in urban areas. Considering that these markets provide a solution to these problems, an understanding of the structure and operation of these markets can go a long way in helping in the formulation of appropriate housing policies and programmes for the urban poor. Our objective in this paper is to draw attention to some of the features of these markets which make them such attractive alternatives for the poor.

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3. This market normally caters to the middle Income groups and strictly speaking does not make part of the Informal housing market for the poor.

4. R.G. Gupta, Environmental Improvement in Slums and Squatter Settlements, (Part IV), (mimeo).

### HOUSING MARKETS FOR URBAN POOR: SOME SALIENT FEATURES

Urban poor is not a homogeneous group. Even going by the conventional definition of urban poor in terms of level of Income, the Income could range from nil to Rs. 700.<sup>5</sup> In line with the diverse requirements and affordability levels of the various groups of urban poor, the Informal housing market has provided solutions suited to each group. The Informal housing market therefore is not one market but many. The heterogeneity in terms of "commodity" transacted" far exceeds that in the formal housing markets. This is the first important feature of the informal housing market.

The second major feature of the informal housing market relates to the definition of housing itself. For understanding this market, it is very important to view housing as a bundle of attributes rather than as a single valued commodity. In fact, the housing markets for the poor bring these various attributes viz., location, size, quality of shelter structure, tenure and infrastructure into much sharper relief than the other housing markets. The formal housing markets offer housing as a single valued commodity composing of standard shelter structure.

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5. This is the upper limit of income prescribed in the Government housing programmes for the poorer sections of population.

secure tenure and infrastructure. Even at minimal standards, the cost of providing such housing may exceed the affordability limits of the poor. The poor however are quite able and willing to pay for some attributes rather than all of them together. The informal housing markets score over the formal housing markets in this respect by offering different permutations and combinations of these attributes in direct correspondence with the priorities of different sections of urban poor.

#### TYPOLGY OF HOUSING SUBMARKETS

The housing submarkets in the informal housing market can be segmented according to the combination of attributes provided, the 'quantum' of various attributes in this combination, the cost of this housing and the income group among the poor whom this housing caters to. These criteria of segmentation give a fairly (though not completely) homogeneous housing within each submarket. We view the informal housing market as a series of submarkets where each successive market consists of increasingly superior combinations of various attributes. The following scheme of segmentation is suggested:

At the lowest rung of this market is the housing submarket characterised by complete absence of attributes like tenure and infrastructure and very low level of other attributes



like size, quality of shelter structure and location. The location may be 'bad' in terms of accessibility to services and job opportunities etc. Further, topographically the site may be quite inferior. The land may be marshy, suffer from water-logging, may lie near a railway line or under some bridge etc. The land under this type of informal housing may usually not be very productive from society's point of view. At times, however such housing settlements can be found over prime lands in the city area.

Next in gradation is the submarket with slightly improved levels of shelter structure and infrastructure. The location may be better also. As we graduate to the next submarket, the distinctive characteristic is the age of the settlement. Even though in legal terms, the inhabitants have no legal claim over land, the long period of establishment imparts the settlement a security of tenure not experienced in the previous two submarkets. The quality of shelter structure may be better also since the partial security of tenure may induce people to invest more on the shelter structures.

The highest grade in the illegal market is occupied by the housing which, while still not conforming to the building bye laws is completely 'Pucca'.

The submarkets described above are completely 'Illegal' in character-both in terms of occupancy right over land and construction standards of shelter. As we go up the grade, however, the degree of legality improves. In the next gradation, the submarket is characterised by legal title over land - the shelter structure still not conforming to the building bye laws. The submarket is quasi-legal in character. The other variation in the submarket is that of structure conforming to building bye laws while occupation of land continues to be illegal.<sup>6</sup> This type of housing is graded above the others due to the higher cost and price of such housing in the market. This submarket is in fact on the fringes of formal market. The next grade of submarket lies in the formal housing market. The housing is fully legal<sup>7</sup> - the land is legally occupied and the construction conforms to the building bye- laws.

As we move from one submarket to a higher grade of submarket, the shelter and infrastructure may improve. So may be the size. Costs also move upward with them. Sudden spurts in costs come when we shift from a fully illegal to a quasi - legal and then to a fully legal framework.

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6. In the latter case the buyers and occupants normally belong to the middle income groups and quite often are victims of a fraud by some developer/organiser of housing. The structure is built according to building byelaws so that it 'appears' to be legal. At times, this is also done in the certain hope that the settlement will be legalised in near future.
  7. There might be minor violations of construction codes even in the so called 'fully legal' housing. In our scheme of segmentation, account has not been taken of legalised slums. These would fall, in gradation, somewhere above the quasi-legal and below the fully legal formal housing.

As the income of the household increases, the poor move from lower to higher grades of market. Such movement may not always be accompanied by a physical movement. The submarkets themselves may graduate to higher grades as quality of structure is improved and with the passage of time, security of tenure improves.<sup>8</sup>

The informal housing market is a very dynamic market and the different submarkets are continuously evolving. People keep moving in and out of the various submarkets, densities change, the typology and quality of housing change, heterogeneities within and between the various submarkets increase or decrease. In the process of this evolution, the organisation and supply processes also undergo a change.

In the initial stages of a settlement<sup>9</sup> the distinction between a buyer and supplier may be quite hazy. The buyer may be his own supplier. As the settlement grows and the number of inhabitants increase, suppliers may emerge from the old

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8. The reverse movement is also possible.

9. The terminology submarket and settlement are not coterminous. Each settlement may have more than one type of housing. In the initial stages of settlement, however, there will be greater homogeneity in this respect.

inhabitants.<sup>10</sup> As the demand for such housing increases, the private sector recognises the business opportunities inherent in such an enterprise and low cost housing is provided on a commercial basis. In metropolitan areas, this segment of informal housing is very well organised.

#### SUPPLY OF HOUSING

Supply of housing in the informal market is in direct response to demand. As new demand for this type of housing emerges, housing is made available in a new or an already established settlement. The costs of providing this housing depends upon the type of housing being provided. In the lowest grade of submarkets, the cost may consist of cost of minimal type of materials, Imputed cost of labour for putting up the structure. Costs of land in this housing is nil. In higher grades, the quality and costs of housing will be higher. The materials, in most of the cases, are provided by the inhabitants themselves. In cases where identity of supplier is separate from that of the buyer the supplier may provide the plot of land (over which he himself may or may not have any ownership rights) and in certain cases even some type of structure). If the supplier had purchased land,

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10. The evolution of informal settlements and their organisational and supply processes have been very well documented in literature on informal markets. See e.g. Thorne J, Housing by People, London 1976; Baross, P and Martins E, "Upgrading Low Income Residential Areas" in Against. et.al. (ed) Low Income Housing Technology and Policy, AITBangkok 1977; Meera Mehta, "Urban Housing Processes and the Poor: A Case Study off Ahmedabad", Nagarlok Vol. XIV (2) April - June, 1982., pp, pp 106 -129.

the cost would be the market price of land and the cost of construction of the kutchra or semi-pucca settlement. In case the land is illegally occupied, the costs may be in terms of protection money which the supplier pays to the political 'contact' which in return assures some degree of protection against eviction. The housing, therefore, is characterised by very low levels of investment on the supplier's side. Further, most of the investment on shelter structure is made by the inhabitant himself.

As the supply of 'appropriate' land for this type of housing nears extinction, more intensive use is made of existing lands and/or inferior lands are utilised. Over time, therefore, as the settlement continues to grow, it may acquire some additional attributes (like security of tenure etc.), the quality of environment however, may deteriorate due to overcrowding.

#### DEMAND FOR HOUSING

The demand for housing in the informal market comes mainly from new migrants to the cities. Demand in a particular submarket may also arise due to shifts from other submarkets. The magnitude of aggregate demand is in inverse proportion to cost/price of housing in the formal housing market.

The potential buyer has a choice of wide variety of housing types available in various submarkets at different prices. He considers the various alternatives and chooses the one best suited to his stay budget and requirements. In the initial stages of his

stay in the city location will be a very important factor in his choice function. Accessibility to water and minimal infrastructure may be quite important too. Security of tenure and quality of shelter structure make part of his preference function at a much later stage. As his income and affordability increases and preferences change he may shift to a better grade of housing in some other submarket.

At the time of decision making, he may not have all the information relating to type and price of housing available in different locations of the city. The decision is normally based on imperfect information.

#### Price of Housing

Whatever the typology of submarket or organisational structure for supplying the housing, in almost all the cases, the buyer has to pay some rent for the right of stay.<sup>11</sup> Thus, e.g., It has been estimated that within Ahmedabad Municipal Corporation limits, approximately Rs. 10 lakhs are transferred per annum as rental payment to different slumlords in the city.<sup>12</sup>

What are the services provided in lieu of this rental payment? Mainly these services are in the nature of protection against eviction. The subslumlord to whom this payment is made

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11. The only exception might be where a group or community of people move together to occupy a site or buy land collectively and set up their settlement. In this case also, the community collectively may have to pay some 'haffa' or fee to the 'dada' in the locality. Again the first settlers may not have to pay anything but the new entrants will be liable to do so.

12. Meera Mehta, op.cit.



normally has some political clout and may have to incur some costs to keep the demolition squads away. As noted above, in almost all cases the investment made by the supplier is quite low and returns disproportionately high.

The amount a buyer normally pays may be much larger than the (market) value of attributes being provided currently. The buyer however is not paying only for the current services/attributes but also for expected flow of increased services in future. Thus, the settlement may acquire some additional attributes without any investment on the part of the occupant. The location may become more central as the surrounding areas develop. The municipal corporation may invest in environmental improvement or provide some infrastructure. The Local authority may also legalise the settlement and give the occupants right of tenancy or ownership. The market value of these attributes or cost of acquisition in the market, will in most of the cases be quite high. The buyer has these future possibilities at the back of his mind while deciding to settle down and agreeing to pay a certain amount of rent. He also takes into account the probability of eviction and demolition of his shelter structure <sup>13</sup> and consequent costs of rebuilding at the same site or having to shift his residence and construct another house

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13. This threat is much stronger in newly established settlements. The old established settlements therefore command higher rents.

on a different site.<sup>14</sup>

TOWARDS A POLICY PERSPECTIVE:

The decision made by the urban poor, under the given circumstances, therefore, is quite rational. The most significant feature of the informal housing market, from the point of view of the urban poor is that it makes housing a divisible commodity which is available in quantities one can afford. Also supply is customised to an extent not possible in the formal housing markets which neither understand the needs of the poor nor provide housing in such great variety. The legal requirements of minimum construction standards and cost of land put a floor on the cost of housing which is beyond the affordability limits of the poor.

The informal housing markets (or slum and squatter colonies) provide a solution to the housing problems of the poor. Apart from the fact that they lie outside the legal framework, what is wrong with these solutions? We can identify at least three shortcomings.

The first shortcoming of these solutions is the inefficient land use pattern they result in. The haphazard development of the

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14. There is also the possibility, which also is taken into account that, in case of eviction, the government may provide some alternative pucca accommodation which will be fully legal and possess some market value. The 'Slum dweller' may live in it or exchange it for a better location in the informal housing market.

sites can prove to be quite expensive in the short as well as in the long run. Due to inefficient physical layout and quite often typographically unsuitable sites, the costs of providing infrastructure at the settlement level can be quite high. Further, these settlements might be located at sites reserved for some community facility or some other use under the Master Plan. The other locations might not be as efficient. These developments upset the Metropolitan Plan and distort the planned land use in the city.

The second deficiency in these settlements relates to the quality of environment. The slum dwellers live under subhuman conditions. Neither the organiser nor the occupant is interested in investing any money for improving the environment in the area. This can be attributed to the fact that the organisers does not increase his profit by investing more in the settlement and the occupant does not invest due to the uncertainty relating to the tenure. It has been recognised that if security of tenure is provided, the occupants will improve the shelter structure. They may however, still not willingly invest in community facilities.

The insecurity of tenure leads to another major problem in these markets it gives the slumlord a leverage over the dwellers who uses the stick of 'threat of eviction' and the

carrot of 'obtaining secure tenure' as justification for extracting money from the inhabitants. The conditions in these markets are quite exploitative.

The government's policy of giving the slum dwellers a secure tenure and attempts to improve the environment of these settlements is an indication that government is aware of the specific problems of these habitats of the poor. The policy of eviction of slum dwellers and their resettlement in other locations was an attempt to reconcile the objectives of 'urban planning' with those of providing some housing to the poor. The evictions however is not always accompanied with resettlement.

The government should recognise that the poor cannot afford fully legal housing. Even if the local governments amend the building bye-laws, some marginal groups may be brought into the fold of formal housing markets but a larger group will still be left out of it. The poor will still find it difficult to afford the land at market prices in their preferred locations.<sup>15</sup> The informal sector can provide housing to the poor at these locations primarily because of zero (or near-zero) cost of land to it. If the solutions for housing the urban poor have to be found within the formal/legal framework, subsidised supply of land is a must.

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15. Ahmedabad Municipal Corporation is proposing to lower the construction standards for the urban poor and permitting them to use material of their own choice. Plots of 25 sq.yd. will be made available to the poor at market prices over which they can put up the structures of their own choice. The price of land in the city area ranges between Rs. 1000 to Rs. 4000. The poor would not be able to afford such plots. The peripheral locations are not normally preferred by the poor. Even in these locations the price is not less than Rs. 200 p.sq.

It is not as if the affordability levels of the urban poor are very low. The slumlords make a hefty profits out of providing housing to these people. In fact, there are certain groups among the urban poor who can afford to pay even higher rents than they are paying at present.<sup>16</sup> Lack of alternatives forces them to live in slums. If the government could tap this potential, it could provide housing of reasonable standards to these poor with minimal subsidies. The trick lies in providing the right combination of attributes for which the poor will pay willingly. There have been quite a few studies on the preference structure of the poor for various attributes in housing in our major urban areas. The government programs should be designed that they cater to this preference pattern rather than impose their own value system on the poor.

The current government programs have come a long way from the slum improvements programs of the 50s and 60s. However, the problem of slums is still dealt with after it has made its appearance. The programs are still designed only for the existing slum and squatter colonies. The Government has no long term policy for housing the poor. The current policy of the government to give secure tenure to the existing habitants may prove to be counterproductive in the longrun in so far as it encourages the future generations of migrants to 'squat' as also accentuate the hold of slumlords over these helpless people

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16. Mccra Mehta, op.cit.

It should be recognised that the poor are an integral part- and a very productive part- of the city system. They have their special housing needs which should be taken care of within the Metropolitan planning framework. The plan should also take note of the different needs and preferences of different groups of poor viz. new migrants, the very poor and not so poor etc. Taking a clue from the informal housing market, different solutions for different groups of these poor have to be planned for. The areas reserved for housing the poor should be divided into different zones. Minimum and Maximum housing standards should be prescribed for these zones. Conversion to different type of housing ( say for higher income group) should be severely penalised. The new migrants could be provided with transit camps, located at places from where search for jobs is convenient rather than in out of reach locations.

#### CONCLUSION

Informal housing markets have provided solutions to the problems of housing the poor. In this paper we have attempted to highlight some of the salient features of these 'solutions'. The great variety in which housing is available in these markets to suit the need and budgets of different groups of the poor is the most significant of all the features of this markets. The



treatment of housing as a combination of attributes rather than as a single valued commodity is another characteristic of these markets. The poor pick out the 'combination' corresponding to their preference pattern. The 'solutions' however suffer from some serious deficiencies. Not all these deficiencies can be cured by marginal interventions by governments in terms of improving quality of environment etc. These are at most in the nature of patch work solutions. A long term solution for problems of housing the poor must be found within the framework of Metropolitan Planning. The planners will do well to take cognisance of the features of informal market housing which make this type of housing acceptable to the poor and incorporate them in their programmes and policies.

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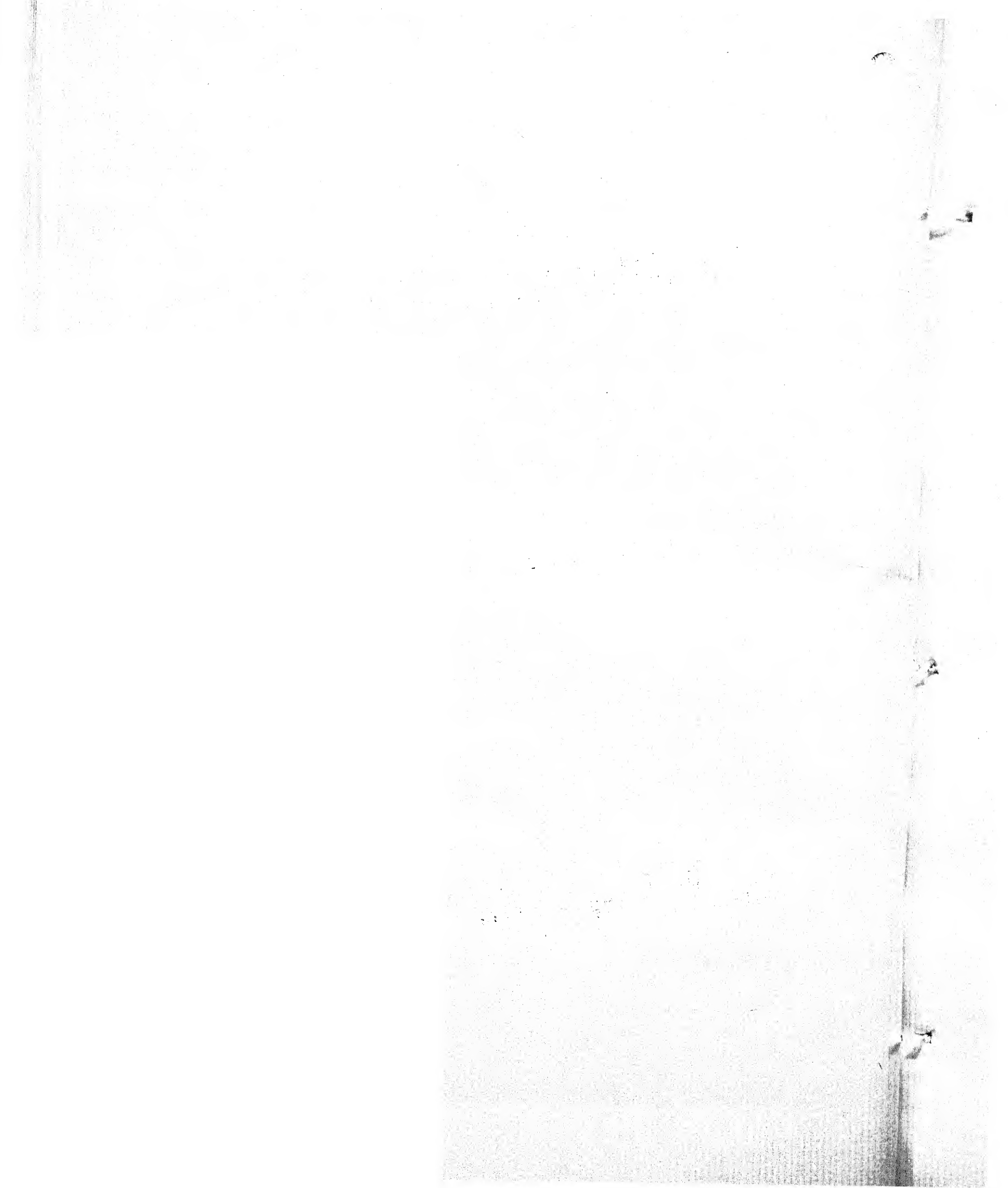
ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
( FEBRUARY 2 - 3, 1987 )

HOUSING AND THE URBAN POOR

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## HOUSING AND THE URBAN POOR

ASHOK RANJAN BASU

### Introduction

Housing is a necessity which has turned into a luxury. Its supply in most of the Third World Countries does not fully meet the present needs of the population whether in terms of location, size, tenure, or facilities.

Housing inadequacies in most of the Third World Countries have both quantitative and qualitative aspects. On the quantitative side, the problem of housing has been worsening over the years due to i) rapid increase in population, ii) fast rate of urbanisation, iii) inadequate addition to the housing stock and iv) obsolescence of existing housing stock on account of aging of housing sector and lack of its proper maintenance.

In housing sector there is a qualitative difference between the problems of urban and rural areas. Whereas the problem of urban areas is by and large that of congestion, slums and squatter settlements, the rural areas are characterized by the absence of basic services and poor environmental conditions. Any comprehensive solution to housing problem in any of the Third World Countries cannot afford to ignore either.

### The Problem

The problem that perhaps causes concern to a majority of

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urban dwellers is the problem of finding an appropriate place to live. As the cost of formal housing in big cities in most of the Third World Countries, surpasses the purchasing power of a large section of the population, they accept whatever accommodation is readily available or can be quickly erected, with material cheaply procured, on open spaces which are otherwise unusable or lying unused.

A substantial population of the Third World Countries live in sub-standard areas namely slums and squatter settlements. The situation is alarming and felt since the independence of various countries of the Third World in late 40s and early 50s. It is also experienced that the percentage of population living in these areas specialty in metropolitan cities is increasing at a faster rate. The situation is deteriorating in Dalhi, Bombay and Calcutta in India, where the trend will lead to a serious proposition for consideration.

Living in such sub-standard areas whether in slums or in squatter settlements has created imbalances, which are visible in many countries with varying intensity. This imbalance has created tensions and discontentment amongst the people and has resulted in social and economic problems.

The problem of squatter's settlements and development of sub-standard areas is not only in India but in most of the big cities of the Third World Countries. In Alegira, for



example, in 1954 30% of the population of the main towns of that country was living in shanty towns. In the Democratic Republic of Congo in 1962, 87% of the urban dwellings were in such a condition that they required major repairs or replacement on ground of public health (case of poor construction). In Ghana, between 1948 and 1960, the number of person per dwelling unit (P.P.D.) rose from 14.2 to 18.4 at Accra and from 19.2 to 21.3 at Kumasi (case of high congestion). In 1959-60 half the urban population in Morocco had neither a private kitchen or a water-closet and 2/3 had no running water in the house. In Iraq, out of total housing stock of 7,66,195 dwelling units, it was estimated that 64% were unacceptable, only one-fifth of the houses were of durable material and about 40% of mud and similar materials (case of sub-standard material). In Republic of Korea, in 1970, there were 440,000 dwelling units at Seoul for a total population of 970,000 families. 30% of the dwelling units were classified as shacks, mostly occupied by two or three families (case of high density and temporary structures).

In Latin America, four cities namely-Rio-de Janeiro (Brazil), State of Guanabara (Brazil), Mexico and Lima (Peru) with a population of about 3 million in sixties, were having 27%, 10%, 46% and 36% of the population in slums and uncontrolled settlements. In other cities with a population between 0.5 million to 1.5 million, the percentage of people living in slums and uncontrolled settlement was 14.0% in Belo-Horizonte

(Brazil), 13% in Porto Alegre (Brazil), 50% in Recife (Brazil), 25% in Santiago (Chile), 30% in Cali (Colombia), 49% in Guayaquil (Ecuador), 35% in Caracas (Venezuela) and 50% in Maracaibo (Venezuela) respectively.<sup>1</sup>

In Europe, two cities namely Ankara and Izmir, both in Turkey, have a very high percentage of population living in slum and uncontrolled settlements. The condition in Asia and far east is largely similar.

The Third World Countries are aware of this problem and are tackling the problem in their own way. However, the best that can be said for most official policies towards this problem in the Third World is that they are characterised by a neglect that is usually benign, but exceptionally may not be, according to local circumstances at any particular time.

### Approaches

The most common policy followed by the Third World Countries is that of eviction of the squatters etc. without resettlement. However, it was later realised that demolition without replacement intensifies overcrowding and shelter cost. It has been acknowledged that demolition of slums and squatter settlements exacerbates housing shortages and reduces the supply of houses that lower income groups can afford. Thus, the demolition of squatter settlements without adequate remedial measures is no solution to the problem.

There are, however, some examples to be found in the Middle East, Asia and Latin America where national and local governments have joined forces to treat the urban squatter problem in its totality. They have viewed the squatter problem as the one originating from human needs for shelter, employment and commercial and social services. Israel, for example, has shown how a planned national programme can solve the regular flow of migrants, planned and programmed assimilation of all the in-migrants into a viable economic expansion programme, and planned settlement distribution, have resulted in a rapid transition of the in-migrants from their former state of poverty to one of a measurable productivity factor per head. Similarly kampung Improvement Programme (KIP) in Indonesia is often quoted as an example of a successful approach to the housing needs of the poor. Turkey, has approached the problem on the basis of a long range national housing problem. The government, with its policy of providing a house for each family (Commencing with lowest income group) proposed to improve these 'gecekondus' which could be improved, some with grants and some on a public loan basis, and ultimately to provide the occupants with the title to the land; the Government intended to reaccomodate the squatter families in formal housing schemes. Another project, and one of the best demonstration of squatter clearance through an effective low cost high density housing programme, can be viewed in Hongkong. Each squatter family was allocated a room in the resettlement

apartments which were constructed at the same density as the squatter colonies. Rising to six floors, there was plenty of space on the ground floor for the families to continue their trades and later even the access balconies, by mutual understanding were also used for home industry. Each housing unit project was provided with commercial facilities. The housing estates were organised in such a way that they comprised integrated neighbourhood units, all of which formed part of a larger built up community or district, and provided for the occupants to enjoy the day-to-day environment of a normal life.

The Government of Peru has taken initiative to legalize the occupation of the land by the squatters and set a precedent for the rehabilitation of urban squatters 'in situ' with legislative support, both on government and private land. This technique was taken a step further by the CINVA, Bogota, Columbia. Instead of involving itself in the transfer of land titles as demonstrated in the 'land and utilities' projects of Lima, CINVA endeavoured to develop the human resources factor of the community and thus introduced the techniques of 'Community Development' for solving the urban squatters problem.

The role of non-governmental agencies in the social development of squatters cannot be ignored. A case in point is that of the favela of Ruchina, in Rio-de-Janeiro.<sup>2</sup> A group of citizens formed a society and raised funds to provide a vocational training centre for those families who volunteered for training. Besides providing vocational training, the society assisted the squatter families to realign some of the shacks to improve the drainage and environmental sanitation problems of the area. Thus, different Third World Countries followed different methods in solving the housing problem of the urban poor. Any approach, to solve the housing problem of the poor, however, has to identify the specific constraints that the poor face in their quest for shelter. In India also, besides the traditional preventive methods, different innovative solutions have been tried to overcome this problem. The important amongst them are: (a) The Urban Community Development Project of Hyderabad (b) Shelter Improvement Programme of Vishakapatnam (c) Slum Rehabilitation Project at Vasna (d) Bustee Improvement Programme of Calcutta (e) Resettlement Colonies Project of Delhi (e) Arumbakkam Sites and Service Project of Madras etc. These programmes differ vastly from each other in philosophy, size, focus, approach and even per capita cost. The U.C.D. Project of Hyderabad and Bustee Improvement Programme of Calcutta are primarily meant for slum dwellers and are big in size but differ significantly from each other in focus, approach and operational style. Delhi's "Resettlement Colonies" project

is mainly shelter focussed and has not bothered to involve people and has become quite controversial. Calcutta's Bustee Improvement Programme (BIP) focuses primarily an "in-situ" environmental improvement, user participation has been almost non-existent. Between Madras Arumbakkam Sites and Services Project and Ahmedabad's Vasna Slum Rehabilitation Project there are many similarities. However, there are significant difference in planning and implementation responsibility.<sup>3</sup>

Despite variations, differences and even contrasting styles, these projects represent new ideas, approaches and attitudes. The different approaches to solve the housing problem, perhaps, can be grouped under one of the four models: (a) Clearance Model (Rehousing outside but within proximity of slum/squatter areas), (b) Re-development Model (On site rehousing within redeveloped slums or squatter areas), (c) Resettlement Model (resettlement in fringe and peripheral areas with site and services) and (e) Sanitization Model (on site environmental improvements). The efficacy of a particular model in a particular situation is to be seen keeping in view the requirements. Though it is difficult to suggest any model in a particular situation, the criteria that can be used for selection of any of these models are their (a) applicability (b) acceptability (c) affordability (d) cost recovery and resource policy (e) flexibility (f) compatibility and (g) replicability of the model.



Whilst the very nature of housing problems ensures that no single approach can offer an optional basis for future policies in the varying contents of Third World cities, a certain direction does appear to be indicated by the evidence. Even then, it is difficult to conceive of a "solution" or "solutions", since housing is an expression of dynamic processes and it is inevitable that the problem to be tackled will change continuously, especially as a result of rising expectations.

#### CHANGING ATTITUDES.

Manning and Turner, have played a great role in drawing the attention of the decision makers to the rationality of the poor with respect to their housing situation. They have demonstrated that the squatter settlements rather than being absolutely wanting in positive attributes are often the basis of adequate shelter. Rather than merely being a shack without service, they could be considered as the foundation upon which more fortunate or more innovative sought a way out of their poverty and their housing circumstances. Over time, squatter housing tended to improve and the poor could often produce substantial and reasonable serviced houses. Thus many poor squatters are able to consolidate their housing from a squatter basis. Turner, also suggested that out of the three basic values i.e. security, identity and opportunity, the poor value proximity to jobs (opportunity) much more than ownership (security) or high quality standard of shelter (identity).<sup>4</sup>

### HOUSING STANDARDS.

Planning restrictions, building and other regulations in many Third World Countries are only infrequently geared to the needs and resources of either builders or users, in general, they reflect the standards achieved in more affluent, industrial countries and on some points may even be higher. Housing standards and building regulations as applicable today do not fully incorporate the housing affordability of the urban poor in most of the Third World Countries.

The statement "people build and live in houses" can be read with the emphasis on the noun "houses" or with the emphasis on the verbs "build" and "live". When the emphasis focuses on the noun, we have described a subject-object relationship in which the object represents an easily specifiable end. And when our attention is focused on the verbs with the alternative emphasis, a more complex and intimate relationship between subject and object is implied. If we perceive this difference, we are on the path of a radical alternative to the conventional view of "housing"- a word that can be used either as a verb or as a noun. If housing is seen as an object (or a complex of material components), its value is judged by its material quality. The kind of things that are generally talked about are floor area ratios and plumbing facilities and so forth. In short, planners are concerned with the "standards". From view point of a central planner or an official designer these are self-evident truths. From such a view point, more of that is better.

Minimum housing standards are universally accepted by the socially dominant sectors of society, and they are remarkably uniform. However, the mass of population in economies of scarcity cannot afford to build or pay for dwellings coded to the minimum standards fixed by middle and upper middle income policy makers. As long as these standards are enforced, the poor are depending on the activities of the institutions (public or commercial) to provide housing which they are legally permitted to live in. So long as the improvements poor people are capable of making for themselves remain sub-standard, those improvements will be disallowed, even if they represent a very great amelioration of a poor family's living conditions. Here we have an evident contradiction between what the planners consider the desirable minimum and what the users consider desirable. The one is static; the other dynamic. The one perceives housing as a noun; the other as a verb.<sup>5</sup>

#### CLEARANCE VS. REHABILITATION.

The self defeating nature of slum and squatter clearance has already been discussed. The alternative model, which has been initiated on a large scale in Calcutta and elsewhere, was in fact advocated by Patrick Geddes who was a strong advocate of undertaking detailed social and environmental surveys before preparing plans for

an area and be believed in learning from the achievements of local people rather than imposing arbitrary solutions. As a result, he was able to identify the major environmental problems of a community and indicate what was necessary to remove inhibitions to its efficient functioning. Giddins emphasized that orderly growth was more important than order at the expense of growth. In fact, he recognised the distinction between visual order and social order.

#### ROLE OF SELF-HELP.

There is now a consensus amongst the planner and administrators that most of the Third World Governments are incapable of building sufficient homes to remove squatter housing and that greater reliance must be placed on some kind of self help policy. Two general policies can be classified under this general description, the one to upgrade the existing settlements and the second to ease the development of new settlements (site and services). The advantages of these models have already been described. Self help programmes have been taken up vigorously by numerous governments and by the World Bank. Studies revealed that even when the poor excluded from official housing programmes, they evolved a positive, imaginative and coherent form of urban settlements which was only constrained from further improvement by the lack of commercial services and facilities. If housing and planning agencies worked with and for these groups instead of in opposition to them, there would be increased scope for

the future of such groups at cost as low as existing unauthorised settlements. To achieve this, it is necessary for planners to accept that there is a great deal to learn from squatters and other self generated communities regarding the efficient development of urban land at high density.

#### ROLE OF TECHNOLOGY.

Recent developments in the field of technology make it unnecessary and undesirable, to continue applying capital intensive, in-appropriate and expensive techniques in the field of housing construction or settlement servicing. Such technologies are not only beyond the resources of most developing countries but frequently represent a source of environmental pollution and a high degree of energy waste. Some of the most common examples of the success of low level technologies are methods of producing power from natural resources or ecologically efficient methods of recycling used energy or materials. An indication of possibilities in this regard and their application in the field of housing has been explored by the team of Ortega, Rybozynski, Ayad, Ali and Achson at Mc-Gill University in Canada. Although their solutions have been developed within the context of a society with an advanced technology, their approach of exploiting whatever resources are at hand and applying basic ingenuity to exploiting their potential, can be considered valid in any situation. The extensive work of architects like Hassan Fathy in developing existing or traditional mud-brick technologies in a contemporary architectural context, together with the work of the Intermediate Technology Group and other similar group

and other similar groups all reflect the increasing relevance of intermediate, alternative or adopted traditional technologies to current housing problems. In energy generation, a number of projects are being carried out to exploit solar energy, and all these examples illustrate the point that intermediate technology need not be any less sophisticated than other types, it simply needs to be appropriate.<sup>6</sup>

Technological transfer is the largely unsuccessful attempt to take housing solutions from developed societies and modify them for application in the developing world. The difficulty in this regard is on (i) lack of realism as to how the adaptive technology is (ii) a complete misunderstanding of people's needs; and a poor use of available resources. Self-reliant technology, the dependence on people's traditional capabilities to build for themselves, is successful in overcoming these three difficulties.

#### PUBLIC HEALTH.

The application of serviced settlement programmes could provide sufficient incentive for the poor to help themselves instead of remaining dependent upon charity in the form of subsidized rent for conventional housing. Unfortunately, little research has been conducted as yet by any of the national or international agencies responsible for public health on the minimum standards which such projects should satisfy. This represents a large gap in our knowledge of urban hygiene and it is difficult to recommend appropriate standards until more empirical knowledge is available.



Existing studies on "minimum standards" are often more concerned in fact with "optimum" standards and do not equate the nature or extent of services, densities of housing, climatic factors to the observed incidence of various diseases. Van Huyck is of the view that there are no minimal physical standards which are relevant for all sites and services programmes, or for all cities or countries, and that standards should be predicated upon the ability of the residents to pay for them. His study, stresses the need to plan settlements in such away that they can be easily improved, both in individual constructional terms and also in the extent of public services provision, leading upto water outlets and other elements being available for each plot. For similar reasons, Van Huyck refrains from specifying recommended plot size, and instead suggests that analysis of existing low-income settlements in a city created by self generated communities and reflecting their standards, provides a more accurate and realistic basis for formulating detailed proposals.<sup>7</sup>

It may well be that sanitary services cannot be supplied to every plot on an individual basis because of costs, but studies of relocated squatters in Singapore have indicated that habits of public hygiene endured for some time after rehousing had been completed, so that rapid transition from one method of sanitary provision to another

may not, in fact, be socially, or even physically necessary. It is possible that grouped services may be adequate, with the possibility that solid wastes can more easily be collected and at cheaper cost than for individual serviced units. In developing low cost housing settlements in India, apart from reducing the size of the plot, two alternative approaches have been adopted towards house structure and services. The comparative cost analysis of individual toilets (alongwith individual water supply, bath room) and community toilets, has revealed that even though initial cost of community facility is substantially lower, but if one considers the recurring maintenance expenditures on community toilets and other disadvantages, it is better to provide individual toilet facilities. Community toilets are useful only if they are properly used, and adequate water supply and proper maintenance is ensured by the authorities. It has often been found that in practice, these conditions are rarely met in most of the Third World Countries. It is, therefore, not practicable to have uniform standards amongst all the Third World Countries.

It is of course conceivable that technological innovations in the form of self-sufficient processing of wastes can enable even inner city, high density settlements to become independent of centralized supply and disposal system for energy and wastes. If these advances have yet to reach a stage where they are operational for settlement planning on a wide basis, they certainly offer attractive and viable means of reducing costs and may even result in the eventually processed wastes being capable of recycling for use in such forms as hydroponic urban horticulture, or as fuel for cooking or heating.<sup>8</sup>

### URBAN SERVICES.

Regarding urban services such as water supply, drainage, sewerage, etc. an attempt was made in India to lay down the standards according to size of urban population. The urban areas were divided into different size classes. The availability of the services is substantially lower than the prescribed and their inequitable distribution often leaves very little for the urban poor. While there are no separate standards nor there can be one, for the urban poor living in integrated settlements, they have, however, evolved as a component of various government sponsored low cost housing settlements and slum improvement schemes. In India these basic amenities like water supply, latrines, bathrooms, street light, sewerage varies from one area to other, depending on whether one was an "eligible" squatter or not. There are also variations of these facilities in Delhi between the one suggested by Government of India and the one actually implemented by Delhi Development Authority.<sup>9</sup>

### HOUSING MANAGEMENT.

One of the most difficult and yet essential requirements of an appropriate responsive and efficient housing programme is the need for good management. The high degree of co-ordination required between agencies and the population which they serve, depends primarily how this co-ordination is developed and maintained. Ideally, staff responsible for such work should be able not only to implement policies, but also to initiate research work on behalf of the policy and planning agencies.

In India, as in many other Third World Countries, there are a number of organisations dealing with the management of urban development. The oldest and the most traditional unit of administration is the municipality. In addition, there are now functional agencies such as State Housing Boards, Slum Clearance Boards, Development Authorities etc. often the shortfalls of municipalities are cited as an excuse for the creation of new functional agencies. It is questionable, whether it is a better course to by-pass municipal government and set up new institutions, instead of taking appropriate steps necessary to strengthen the municipalities. Suffice it to say, that local government can become an effective instrument of development without resort to new institutions whose base is not democratic and which are not answerable at local levels to the people.

The precise reason why the urban poor live in slums and squatter settlements in India, is that they are incapable of affording anything better. All the development agencies in the urban field, as already stated, design and build houses which the poor can not afford. The poor, therefore, continue to live in slums and squatter settlements. If the effectiveness of an institution is to be judged by the ultimate results of its activities, then every institution in urban India, as in many other Third World Countries, dealing with development of urban management has failed. This means, that the search for alternative forms of local

government must cease. There should be only one organization in a city dealing with urban problems the municipality. It has to be strengthened and made financially viable. The role of voluntary agencies, however, can not be minimised. If the poor are to have a voice in municipal councils, they have to be politicised. This can be done by the voluntary agencies. They have a role to play, provided they are prepared to organise the poor and to give them a voice that springs from unity.

CONCLUSION:-

It is difficult to suggest possible urban planning frameworks for specific urban areas, beyond stressing the need for a revision of existing planning methodologies. In the field of housing settlements, however, various possibilities offer themselves as illustrations as to how alternative programmes could fundamentally improve situation of the poorer sections of the population.

Since existing attempts to provide completed housing units on a scale sufficient to accommodate the large numbers of the lowest income groups have been shown to be misconceived, it is more relevant to look to the environmental solutions adopted by the squatters as providing a more realistic basis for new housing settlements. Analysis of existing settlements indicates that one of the most vital factors regarding housing for the poor is that of easy accessibility to places of work. This can either be provided by allocating plots in the areas adjoining such centres, or

alternatively, by providing heavily subsidized public transport of a standard sufficiently capable of off-setting the increased distance to work places which a non-central location would involve. In view of the limitations of transport subsidies mentioned, however, it is difficult to see how this could compensate for the loss of a suitably located site. A further possible alternative is that of providing more dispersed employment locations within cities, so that potential sites for low-income settlements would be increased. However, it is not easy to organize and develop such settlements. The crucial problem is that existing settlements have been self-generated within economic and spatial constraints by groups who have now become sophisticated at creating habitable settlements by operating the rule structure to their advantage. Any change in these rule structure will inevitably have a corresponding impact upon settlement patterns; in short it is easier to analyse a settlement which has evolved through spontaneous and unconscious process into a community, than it is to plan such a situation in advance. However, a composite scheme with different income groups might solve some of the problems.

As discussed earlier, housing condition in most of the resettlement colonies is very poor. The only solution to improve the condition is to allow the resettlers to construct their houses according to the approved designs. The Arumbakkam experience suggests the need to eliminate governmental intervention to a minimum in matter of house construction of the resettlers.



If the planning process is made more responsive to the needs of urban populations it should be possible to bring the representatives of existing settlements into a central position in the decision making process at an early stage. In this way related kinship or interest groups could be recruited for new settlements and lay the basis for coherent new communities. This has been done with success at Vasna.

It is now being gradually realised that urban poor do not have much of a housing problem, as the mass of the people have always housed themselves and even improved those houses. They are perfectly capable of still doing so, even in changed environment of metropolitan cities. The problem that most of the Third World cities face is the problem of land use and resource planning- in short a settlement planning. Attempts has to be made to help them in overcoming these problems.

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AFFORDABILITY AS A CRITERIAN FOR  
DEVELOPMENT

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# AFFORDABILITY AS A CRITERIAN FOR DEVELOPMENT

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## SECTION-I BACKGROUND

### INTRODUCTION

Shelter is one of the basic needs of the human being. While the human being needs food and clothing to survive, it is the shelter which determines if he lives like a human being or an animal. The shelter is directly related to the affordability, and the drive for home making is deep-seated and powerful in the human being.

The Government has been lending a helping hand for making houses by way of various policies in this crucial sector of housing. However, the achievement has not been remarkable, as the policies had always been based on the 'count', 'cost' and the 'carry' method. A drastic change in the approach and policies is needed to deal with the shelter problem of the masses, and, what is needed, is the proper dovetailing of the three main factors involved in house construction namely, the desire, the necessity and the affordability.

House is a very sanctified place in Indian Society which emotionally binds the family members. Kin-ship feeling towards the house is so great that the physical quality of the shelter always remains a secondary issue. In such a situation, the planners and the policy makers will have to adapt themselves to this concept while making policies for the housing sector. In contrast, the national thinking in this regard has always been borrowed from the 'West', where the society is materialistic and where house is only a commodity which just satisfies the physical needs.

This change in the concept of house, in the Indian context, necessitates a change in the tendency of the Govt. to adopt the so called 'count', 'cost' and 'carry' method of estimating needs and finding out ways and means to achieve it.

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NATIONAL CONTEXT:

Looking at the National Context, though there has been a concern over rising shortage of urban housing, the gap between the demand and supply still remains to be achieved. The housing backlog in the country is presently 5.2 million urban units and another 2.1 million will have to be built by the end of 7th five year plan to prevent this backlog from increasing further. This in itself is a huge figure; and to wipe out the backlog for maintaining a balance between demand and supply, about Rs. 44,000 crores will be required by the end of 7th five year plan.

The above estimate is only based on the 'count', 'cost' and the 'carry' method and treating the shelter only as a commodity. However, the drive for home making is so deepseated and powerful in Indian society that the families do make one, without any help from the Government, and find out resources, that they themselves do not know, exist, and devise the most ingenious ways of bringing down the cost to an affordable level.

This becomes obvious when we look at the rural areas of country where every one has a shelter of some kind or the other. Thus if an attempt is to be made to solve the shelter problem in the urban areas, the hurdles in the instinct for home making will have to be removed. This may solve the bulk of the problems without any sizeable investment by the Government. And thus the estimate of Rs. 44,000 crores will drastically get reduced.

The main constraint in home making throughout the urban India has been the non-availability of minimum serviced land and the completely unrealistic standards and requirements in the building code. Rent control and the tenancy laws are the additional hurdles which make housing an extremely risky investment. Moreover the rapid and unbalanced growth of cities, in the process of urbanisation, have pushed up the land prices in metropolitan cities well beyond the affordable limits of the common man.



Thus, in the absence of proper policy on one hand and the deep-seated drive for home making on the other, the families establish themselves on any vacant available land and the outcome of this is, what we call as, 'unauthorised colonies.'

DELHI CONTEXT:

Delhi is growing at a very rapid pace, because of the increasing migration. Delhi's population has increased from 7 lakhs in 1941 to nearly 14 lakhs in 1951 and 23 lakhs in 1961. It was desired that Delhi should accommodate not more than 46 lakhs people by 1981. Unfortunately regional strategies and inter-state co-ordination did not succeed and as a result Delhi had about 58 lakhs urban population by 1981.

Apart from the increased population and rapid urbanisation, the measure that heaped untold hardship, was the mass acquisition of village land, at throw away prices, during 1962-81. This had two effects. The villagers went to the court to seek redress, with the result, the actual acquisition process got intolerably delayed and on the other hand the immigration steadily increased. The availability of sites could not be matched with the need which was suddenly created by immigration.

Though many of the immigrants were accommodated in colonies developed by the Govt., the others, who had no place and who could not wait for the supply, had no option but to get the shelter in an unauthorised way. This gave an opportunity to the unscrupulous elements, which they fully exploited by taking land from farmers, which was notified but not finally acquired, at nominal rates. The land was subdivided without providing any basic facilities, resulting into development of very low-cost of subdivided plots. Thus 110 unauthorised colonies came into existence by 1962.

The pace of unauthorised construction never slackened and new colonies started taking shape along with the existing ones and also as extensions of the existing areas. As a result, within next five years, there were another 101 new unauthorised colonies in different parts of Delhi. These colonies were also regularised. Further increase in the number of unauthorised colonies was observed in 1974 and by 1977, there were 607 unauthorised colonies covering an area of 4000 hect. and holding a population of about one million in Delhi.

The number of unauthorised colonies in Delhi today, is much more than the official number of 607 colonies declared as a part of 1977 policy for regularisation of unauthorised colonies. The population staying therein will definitely increase till the gap between existing and future required housing stock is reduced.

Therefore, the objective of this paper is:

- 1) To define the housing need with special reference to Delhi.
- 2) To recognise the need for conservation of existing housing stock and
- 3) To lay down a policy that would help to satisfy the housing need, under the present constraints, and would stop further growth of unauthorised construction.

## SECTION- II      NEED FOR UP- GRADATION OF UNAUTHORISED COLONIES

The Urban Delhi at present accommodates 11.5 lakhs households in different housing developments. Next two decades would add another 13 lakhs households approximately. The suitable housing for all these families is a measure concern of all the planners. Housing shortage at present is estimated to about 3 lakhs, i.e. about 16 lakhs new units will be required in the next two decades. That is, as per present conclusions, the housing units needed per year will be more than 1,00,000 D.U's.

The need for new houses generally arises on account of (a) replacing of old dilapidated housing stock and (b) requirement for building new housing stock for increased population.

India is comparatively a poor country. Therefore it is not practicable to have the housing stock based on western standards. In view of this, it is not desirable to demolish the houses until and unless they are very sub-standard and beyond the limit of environmental improvement. Reasonably sub-standard houses should be preserved and environmental improvement programme should be taken up to conserve such houses. Moreover it is necessary as present capacity of public agency to construct new houses is limited due to paucity of finance, infra-structure, technical man power and material. As such, unauthorised colonies should not be viewed only as a illegal act by the public but sympathetic attitude should be developed instead of showing the feeling of mercy.

Govt. of India has recognised urgency and importance of reducing the immigration to Delhi to such an extent that instead of waiting for an Act of Parliament, the President of India have issued an Ordinance to constitute the National Capital Regional Planning Board for proper development of the entire region and reducing the immigration to Delhi City. However, it will take atleast 5 years when the results of this ordinance start showing up and it may take 10 years for effectual reduction of immigration to the city. Till then, immigration will continue and it is hoped that additional 20 lakh persons will form part of the city population by 1990 and 30 lakh persons by 1995.

As mentioned above, due to the limited capacity of the public agency to construct new houses, the housing supply cannot match the housing need and we should be prepared to accept more number of un-authorised colonies that would emerge during the coming decade. In such a situation, it is better to do the environmental improvement of the existing unauthorised colonies in a proper way instead of only doing the lip service. This establishes the need for proper up-gradation of existing unauthorised colonies. However, it does not prevent the public agency from working out positive solution for the "shelter" need for the large growth of population which is mainly due to immigration to the city.

SECTION- III DEVELOPMENT OF COMPREHENSIVE  
SCHEMES AT AFFORDABLE RATES.

In the preceding chapters, reasons for emergence of unauthorised colonies and why these should be regularised have been given. But this is only a partial solution and that too, accepting haphazard development due to inability of the Authorities to provide positive solution for the "shelter" for the large growth of population (mainly due to immigration) of the city. In this Section, an attempt is being made to suggest some policies for "shelter provision" at affordable rates so that even if emergence of unauthorised colonies cannot be stopped, it can atleast be minimised.

Before an attempt is made for suggesting positive policy, let us study as to how an unauthorised colony gets developed and as to why many families prefer to acquire plots in such colonies even though they are fully aware that it is an illegal act and that these colonies will take atleast 10 years to get even partially developed. With the last five years experience in the field of unauthorised colonies, it is observed that mainly those lower middle and middle income group families, who have already settled in Delhi for more than 5 years, in a rented accommodation, are willing and can afford the prevalent market rates for acquisition of plots in these colonies, making room for new immigrants in rented accommodation. This is such a class which is neither in a position to wait for long years (say more than 10 years) for acquisition of a legal property nor able to pay the cost of a fully developed plot offered by a public agency. Their social level is also rural based, because of which, they are not interested in full developed plots with modern amenities. These are the readily available clients for the unscrupulous colonizers who are shrewd enough to understand the psychology of such families and to assess their affordability. Since practically no development is done by the



colonisers, except for the sub-division of the land and cost of processing such land, they are in a position to offer such plots to these families at a much lower rate than the fully developed plots, being offered by the public agencies. These families make little investment with the hope that Government will come to their rescue after sometime and they may have to pay the development cost in instalments for quite long period. If a similar technique is adopted by a public agency, of course with a positive motive and improving upon the methodology of the colonizers, Government will be able to meet to a larger extent, the shelter need of the masses of the city and at the same time it will be in a position to put a check on further growth of unauthorised colonies.

Such a scheme will have to be comprehensive and not only of a resettlement colony type. Secondly, the major share of profits, that will accrue from auction of commercial and residential plots of scheme, should be ploughed back for subsidising, to a certain extent, the development of this comprehensive scheme. Thirdly, the minimum plot sizes should be increased from 26 sq. mtrs. to 32-35 sq. mtrs., so that incremental housing can be built by the individual families in due course, according to the availability of funds with them. To make the area hygienic, Sulabh Shauchalaya and individual tap connections should be provided on each plot in the beginning itself. The individual families should be allowed to construct their temporary shelter, in any manner they like, on their plot, with the condition that permanent construction should be as per unified building by-laws. This development can be termed as an "organised slum" but it will be definitely better than haphazard unauthorised colonies and there will be a scope for further environmental improvements of the area and the population will not be permanently condemned to live in filth and squalor.

To detail out further, it is suggested that the acquired land should be accurately surveyed, including with levels, existing trees and other features. The layout should be made with the reduced standards but not below minimum standards and accurately demarcated at site. The public areas should be fenced properly and road net work should be provided only with rammed earth and bajri path. Individual plots should be provided with Sulebh Shouchalaya and a hand pump. Total cost of such plot would be within affordable limits of the lower middle and middle class families. In such a situation, these families would prefer to take such semi-developed plots from the Government agencies, which may be a bit costlier, but adequately compensated by the legal title of land being transferred in the name of such families. After regular intervals, such a scheme should be upgraded in instalments (say after every 5 years or earlier) whenever majority of the population will be in a position to afford such an upgradation. This will kindle a ray of hope in these families that their colony will be developed in due course at par with other fully developed colonies and the socio-economic atmosphere will gradually change for the better.

While developing and allotting plots to individuals to have incremental housing, we should not forget that there will be a class of people, who, though, would be having sufficient money to construct houses by getting loans from the govt. on 35 and 75 sq. mtrs. plots, but would not be able to gather resources i.e. man and material for construction of houses, and would desire that a public agency may construct houses for them and they may be prepared to deposit the amount available with them with such an agency for making readymade houses. For that purpose, it is suggested that the public agency i.e. DDA may construct double storeyed houses on plots of 70 and 140 sq. mtrs., so that share of each family would be 35 sq. mtrs. & 70 sq. mtrs. respectively. This will also help in encouraging other plot-holders to construct houses on their plots on the one hand, and



on the other the shops in convenient/local shopping centres would be able to function because they would have clientele in the form of families living in these readymade houses. Thus, the problem of as to whether "hen should come first or egg should come first" would be solved. This will also help in creating the feeling of security amongst the families residing in readymade built houses and in these families who want to construct houses.

By above suggestions, we will be able to settle families in this scheme as per their income groups; but their place of work and recreation will remain the same, atleast in initial stages. Therefore, cost of transportation of such families to their work/recreation places will have to be added to the cost of partial development and adequate number of buses and their timings will have to be ensured for avoiding dislocation of the work-schedule of the families living in this scheme.

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/ R.K. /



NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

FINANCING OF HOUSING AND INFRASTRUCTURE  
FOR THE URBAN POOR

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FINANCING OF HOUSING AND INFRASTRUCTURE FOR THE  
URBAN POOR

Vinay D. Iall<sup>\*</sup>

Perspective for Institutional Intermediation

The inadequacy of financial resources has been recognised as a major constraint to implementation of mass housing and related infrastructure programmes. One important consequence of limited financial flows has been that the larger part of available resources are used to cater to the needs of relatively better-off segments of the population. The requirements of the vast majority of the urban poor are met more in the nature of a token gesture. Some amount of institutional finance flows to the urban poor only because of the Government of India's directive to institutions like the LIC, commercial banks and the HUDCO, to allocate a proportion of their funds to "socially-oriented" sectors or to specifically undertake low-income housing activities on the basis of highly subsidised funds. Similarly, metropolitan development authorities and housing boards take up housing and infrastructure work at the behest of State Governments, with concessional finance provided to them by national financial institutions. However, these efforts make a nominal dent on the needs of the urban poor. Furthermore, several studies have shown that the subsidised facilities often pass on to non-target groups due to poor identification of target groups, inadequate monitoring and follow-up and, most important, the existing financial policies do not really make institutional finance readily

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accessible to the target groups or can be considered to be truly affordable by them. What is needed is a complete reorientation of financial policies and creation of a mass institutional financial infrastructure that will serve the urban poor on realistic terms and conditions that they can afford.

It was in this perspective, that the Seventh Plan has committed itself to the creation of two apex institutions to finance housing and urban infrastructure, with special focus on the needs of the under-privileged groups. These two institutions are the National Housing Bank (NHB) for home loan activity at individual level and the Urban Infrastructure Development Finance Corporation (UIDFC) for financing urban development, water supply and sanitation activities of state and local level institutions.

This Paper examines, and recommends, some policies that may be relevant to the proposed financial system that has to be developed for housing and infrastructure during the Seventh Plan period. Both these institutions are to be created by the Ministry of Urban Development, Government of India, which should also be the nodal ministry. The advantage on this arrangement is that the financial policies can be easily integrated into the sector's development programmes and policies. This would also be in conformity with the prevalent practice of placing the administrative responsibility of specialised sectoral financial institutions with the ministry that formulates and implements the sector's development policies, as for example, in the power, railways and telecommunication sectors.



### National Housing Bank

The Ministry of Urban Development, Government of India, has made very significant progress on the proposal to establish the NHB. Apart from a status paper on various crucial issues like organisation structure and operational policies, which was discussed a few months ago amongst academicians, housing and finance experts and state and central Government policy makers, it has undertaken special studies<sup>1</sup> to build a data base for examining innovative policy options and for recommending resource mobilisation and home loan policies. The Hon'ble Minister for Urban Development, Smt. Moshina Kidwai, the Minister of State for Urban Development, Shri Dalbir Singh and the Urban Development Secretary to the Government of India, Shri Ramesh Chandra, have in public meetings and seminars during 1986 announced on several occasions the need for the NHB and have also highlighted the Government of India's plan to create it. In her inaugural Address to the International Workshop on Mobilisation of Informal Sector Savings, held in New Delhi in December, 1986, Smt. Kidwai mentioned that "This bank will, inter alia, seek to develop innovative savings instruments and credit policies to make the institutional financial system accessible to low and middle income people." In this context, she opined "that in India the less affluent people are willing to save for their future provided opportunities are available to them. 'A House' to an average Indian has always meant much more than an economic investment. Many families are willing to reduce their consumption expenditure to save for their future house. Many of them shy away from financial institutions because of lengthy and complicated procedures,

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1. Two studies are in progress in the Society for Development Studies (SDS) to recommend savings mobilisation and home loan policies for the NHB.

bottlenecks and a lack of sense of urgency on the part of institutions to look into their special needs. If programmes have to be meaningful in a developing country like India, the savings instruments have to be simple, attractive and intelligible to the low income beneficiaries". This is what the NHB will seek to do.

As the NHB has been an issue that has been often discussed in seminars and workshops over the last 18 months, I would only briefly touch upon a few aspects that are, probably, most important for taking a policy decision.

1. In the first place, I feel that the NHB should be a public sector institution. Profit-making will not be the raison d'être for its activities, even though it will seek to function as an economic viable entity.

2. The NHB should have equity participation of the Government of India, the banking sector and financial institutions. Apart from mobilising, on a large-scale basis, funds from domestic and international capital markets, it should also mobilise, through a network of local-level savings and home loan institutions, savings from households engaged in economic activities in the formal sector as also in the informal sector. It is the informal sector that has been almost wholly overlooked by existing saving schemes though the potential is large for savings mobilisation.<sup>2</sup>

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2. The recent international workshop on Mobilisation of Informal Sector Savings, organised by SDS, in which experts from 12 countries and 6 international organisations participated, concluded that the informal sector is a focal point for savings mobilisation in the developing world. What is needed to tap the latent savings is an easily accessible institutional infrastructure, flexible, innovative and target group specific policies and a humane approach.

3. The NHB will be a catalyst and development banker and not just a conduit for institutional finance for housing. There is an erroneous impression that the NHB will be merely a "conduit" as the Seventh Plan had observed, rather loosely, that in the proposed financial system, the local savings and loans institutions (p.295) "would be re-financed by the NHB which would act as a conduit for institutional finance." The main functions of NHB will be :<sup>3</sup>

- (a) To promote and develop housing finance infrastructure, by identifying local-level groups, providing seed capital, guarantees, expertise and undertaking manpower development programmes;
- (b) To mobilise resources on a mass basis from all possible avenues;
- (c) To develop innovative savings mobilisation and home loan policies to make institutional inter-mediation accessible and affordable to all categories of beneficiaries, and specially the under-privileged groups;
- (d) To provide re-finance;
- (e) To function as a chartering, regulatory and monitoring authority;
- (f) To provide advisory services and function as a "think bank"

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3. For details, see Vinay D Lall (1984) Housing Finance in India, Report to Ministry of Works & Housing, Govt. of India, and paper on National Housing Bank and related issues, prepared for Ministry of Urban Development, Government of India (1985 and 1986.).

- (g) To provide supplementary services like that of a secondary mortgage market and mortgage insurance till such time as specialised institutions are formed.

4. The NHB network envisages a second tier of institutions at the state/regional levels to mobilise household savings and give home loans directly and through grass root level institutions that may be established by public sector undertakings, large and reputed private sector companies, cooperative sector organisations, NGO's and other groups of people, subject to NHB norms and guidelines.

5. The policies will have to be formulated in the local perspective, being locale specific and target groups specific. For this purpose, a good data base has to be build up.<sup>4</sup> The data base should cover the economic status of target households (incomes, household expenditures, assets holdings, saving habits), savings and housing plans, etc, so that specific and flexible savings instruments, savings collection and servicing systems, credit norms, collateral, repayment system, etc can be developed.

6. An on-going study in the SDS, for the Union Ministry of Urban Development, is developing a data base on low-income households in 14 towns, representing different regions, size of towns and economic characteristics in order to suggest location specific and target group specific saving schemes and delivery systems<sup>5</sup>. A second SDS study examines the experiences of beneficiaries of existing institutional home

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4. For an idea on type of data to be generated, see Vinay D Lall (1985) Economic Status of Households in Maharashtra and Policies for the Specialised Housing Finance Institution, Report of the SDS to Government of Maharashtra.

5. The Maharashtra study examines a few savings schemes and some credit policies, based on grass-root level data in Maharashtra.

loan activities to identify positive features and deficiencies so that the feedback can, together with the findings of the first study, be useful to structure specific home loan norms, appraisal criteria, repayment schemes, etc.

### Urban Infrastructure Development Finance Corporation

This proposal of the Seventh Plan has not made much headway. One does not find references to it in statements of the Ministers and senior policy makers of the Ministry of Urban Development, as has been in the case of the NMB. There is a feeling that serious attention has not been given to the proposal. The only considered study on this financial institution was made in the Second Report of the Planning Commission's Task Force on Housing and Urban Development, which was concerned with Financing of Urban Development. In fact, the proposal owes its origin to this Report which had stated that (P. 142) "the existing arrangements are clearly inadequate to deal with the growing urban service deficits both in terms of maintaining services and extending them to unserved areas". It was further observed that "the presence of a large population at low income levels militates against adequate local finance for the services necessary".

The Task Force recommended the creation of an apex Urban Infrastructure Development Finance Corporation (UIDFC) to develop expertise and provide technical assistance to the urban infrastructure sector, provide an access to local bodies to institutional finance, mobilise financial resources for urban development programmes and provide focus and attention for larger investment flows into the urban infrastructure sector.

As the UIDFC proposal has still to take off the ground, it would be useful to examine the type of institution that would deliver the goods and make institutional financing of



urban infrastructure a widespread and affordable activity. I shall examine some of the issues, mainly to initiate the discussions. It should be mentioned that the UIDFC would have to finance urban infrastructure activities at the state and local levels, with special thrust on infrastructure needs of the urban poor.

1. The urban infrastructure institution should be a public sector corporation, wholly owned by the Government of India and at national level financial institutions. This would be necessary as it would be financing long gestation and low profit yielding activities in which the private sector may not necessarily like to make a financial contribution in terms of equity capital. Furthermore, all specialised sectoral apex financial institutions are wholly public sector organisations.

2. The Seventh Plan has committed to the UIDFC Rs.35 crore for urban development schemes and Rs. 20 crore for water supply and sanitation schemes. This would be the initial equity capital and the bulk of the finances will have to be mobilised elsewhere. The commonly sought source is the capital market, domestic as well as international. The Task Force on Financing of Urban Development expected the LIC to "become a major contributor of funds" to the UIDFC. Other institutions that were identified are the UTI, RBI and Provident Funds. I do not think this would be the most desirable resource strategy. With the creation of a number of sectoral financial institutions in areas like power, tele-communications and railways, the UIDFC will be way back in the queue for institutional funds. This is important as the general belief is that there is an upper limit on spare funds in the hands of institutions to be invested in other institutions. The Union Ministry of Finance also raises the question, very often, of additional resource mobilisation when a proposal for a new sectoral financial



institution is made, though it has not always been firm on this account, as can be seen from the emergence of the several financial institutions in the areas of power, railways and telecommunications, which cannot be expected to generate additional resources in the economy any more than the UIDFC. However, it would not be a prudent or realistic policy to depend mainly on inter-institutional funds.

3. Additional resources can be generated in an economy only from the household sector, and in particular, informal sector households, which have attracted little attention and special efforts of savings mobilisation institutions. These savings can be taken out from the household sector into the organised financial system only if the returns are attractive as compared to other forms of investments and/or there are some special benefits linked to the savings programme, such as a future loan (as for example, a housing loan). In the case of infrastructure development, it may be possible to provide an inducement in the form of improved infrastructure but this possibility exists on a location/community basis rather than on an individual basis, as in the case of a saving-cum-home loan scheme. Households and community savings can be mobilised to generate additional resources in the economy if there is an assurance that the funds will be used in the savings-generating locality for improvement/creation of new facilities and services. The urban infrastructure institution should explore this possibility as one of its long-term resource strategies.

4. In fact, I suggest that the Ministry of Urban Development should prepare its brief for a new financial institution for urban infrastructure on the ground that it would generate additional resources in the economy, based on data from potential beneficiaries of an infrastructure development

programme. It is equally important to undertake an exercise to quantify the voluntary additional payments that potential beneficiaries can make for better more infrastructure services and facilities. This study may be similar to the SDS study on affordable rate of interest of potential home loan beneficiaries in Maharashtra. It would be useful to have data and information on priorities of urban services needed by different communities and target groups and on their affordability and capacity to pay for these services. Thus, grass-root level data and information on the needs and capacity of target groups is a pre-requisite for a realistic resource mobilisation policy. Also the financial viability of the UIDFC as a resource generating institution, (rather than only a resource absorbing institution) can be then substantiated.

5. Unlike in the case of housing, where the linkage of savings to a loan programme is strong, in the urban infrastructure, financing programme, it would be desirable to raise funds also through user charges. A proper assessment of user charges and the norms for its fixation is necessary. Pricing of urban services should be linked to affordability capacity of target group, which is rarely done. Cross-subsidisation principle, linked to affordability capacity, would make the financing of urban infrastructure programmes affordable to low income households. The user charges should be on the high side for commercial, trading and manufacturing purposes.

6. The UIDFC would not only have to mobilise resources on a massive scale but would have to undertake refinancing of urban development programmes of state and local level institutions. It should also promote the creation of a multitude of infrastructure creating organisations, provide them technical and financial expertise, undertake manpower development programmes and provide advisory services to the implementing agencies as well as to the central and state Governments.

It is equally important that the UIDFC takes up the responsibility of periodic assessment of the legal economic, physical and financial environment that may require to be changed to stimulate urban development activities, with special thrust on low income households, informal sector households and other under-privileged segments of the population in the urban areas.

7. The UIDFC would have to perform a major role in changing the thrust of operations of metropolitan development authorities which have diversified their activities into housing construction at the expense of their primary function of development of urban infrastructure. The UIDFC could use the refinance and other supporting "carrots" to restructure the activities of the development authorities. Similarly, the UIDFC can play an important role in rationalising the activities of urban local bodies.

8. Another policy issue that has to be examined is should a new institution be created as the UIDFC or, can any existing institution be strengthened to become the UIDFC. The Planning Commission Task Force on Financing of Urban Development had observed (P.158) "Existing specialised institutions are not in a position to take over this role. Though HUDCO's objectives include some of the activities of urban development in general, they do not take into account urban finances in particular. HUDCO has been unwilling to enter this potentially gigantic field." The Task Force has raised a basic issue, namely, why is HUDCO "unwilling" to enter into urban development activities though that is supposed to be one of its basic functional areas. Is it the low return on urban development loans or the likelihood of larger proportion of defaults, or the larger per loan amount, that would limit the totality of coverage of beneficiaries or that the contribution of HUDCO

financing cannot be as easily quantified in physical terms as in the case of housing units financed by it? It is desirable to examine the "unwillingness" of the HUDCO, as it has far-reaching policy implications. On the face of it, appears that the Task Force has made a far-sweeping statement, as the HUDCO has undertaken some urban infrastructure projects, of diverse nature and dimensions.

The projected institutional financing scenario, once the NHB and UIDFC come into being, is one in which, I feel the HUDCO role in housing finance will diminish as its present housing finance clientele (development authorities, housing boards, cooperative societies) will be able to obtain the purchase price of their housing units on a self-financing basis from the beneficiaries who would have an access to a home loan system. The choice of a housing unit for the beneficiary will also be extended to cover private sector-constructed housing units or self-constructed housing units which are not covered by HUDCO financing. In such a scenario, the expertise of the HUDCO on appraisal of large scale housing projects can be productively utilised also for appraisal and financing of large-scale infrastructure projects.

9. As regards the delivery system of the UIDFC, the Planning Commission Task Force has recommended the creation of State level UIDFC "to ensure a spread of lending activities to small and medium sized towns throughout the state"<sup>6</sup> While the idea is laudable, it would be more realistic to have state/regional branches of the UIDFC rather than separate institutions which will create a three-tier system with associated increase in lending costs. In fact, the Task Force reference to a parallel system in industrial finance (national level institutions refinancing state level SFC's) is inappropriate. Industrial financing relates to primarily 'profitearning' projects, the gestation period is low and the loan period nor-

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5. State Governments of Kerala and Gujarat already have State urban finance institutions and Madhya Pradesh is contemplating to do so.



mally does not exceed 10-12 years. Infrastructure projects have longer gestation periods, lower profit generation potential and longer loan maturity period. A series of state level UIDFC, with considerably smaller base (than the National UIDFC) will have limited scope for manoeuvrity and the viability of such a network of state UIDFCs will have to be properly assessed.

10. The expertise of the private sector should be used to implement urban infrastructure programmes, as per the development programmes of the central and state Government, subject to guidelines and time schedule that may be laid down by the UIDFC. The costing of the projects to be implemented by the private sector should be worked out in consultation with the UIDFC. Joint sector and cooperative sector organisations may also be supported to take up specific infrastructure activities. This will extend the inflow of expertise and resources to implement infrastructure programmes.

11. Finally, the fiscal system should provide an incentive to the institutions that undertake infrastructure development programmes. A 8-10 percent deduction of incomes from urban service charges may be allowed as deduction from the corporate tax base and the rate of relief may be increased to 15 percent for incomes from services provided to urban poor households. Alternatively, the institution may be allowed an accelerated rate of deduction of expenditure (120 percent of actual expenditure) in specified urban infrastructure projects whose beneficiaries would be the urban poor.

The flow of finance into housing and related infrastructure sector needs urgent attention. The creation of a wide-base and decentralised financial infrastructure is a long-recognised need and should not be delayed. But at the same time, the institutions should be created with data and information at sufficiently disaggregated level, on the needs of the people and formulation of location and target group specific policies and delivery systems.





NATIONAL SEMINAR

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(February 2-3, 1987)

URBAN TRANSPORT, CONSUMERS AND THE OTHERS

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## URBAN TRANSPORT, CONSUMERS AND THE OTHERS

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1. In an analysis of the efficiency accessibility or management of the urban transport system, the views expressed by the consumers are taken to be of prime importance while those of the non-consumers are considered to be only of marginal significance. Studies on the public transport system in the urban centres generally reveal this drawback as the issues relating to affordability, accessibility, quality of services etc. are often examined based on the feed-backs received from the consumers of the service alone. It is important to note that the "non-consumers" need not be assumed to remain so in future under changed circumstances and the private sector entrepreneurs as well as the administrators managing the public undertakings do make attempts to motivate sections of the non-consumers to become consumers by changing the quality of the services or the other socio-economic conditions lowering the prices and most commonly through advertisements. It is still more important however, to realise that a large section of the "others" are not those who voluntarily opt out of the service for a better mode of transport but those who get priced out of it. The micro level studies conducted by the Transport Road Research Laboratory (TRRL) London and Association of State Road Transport Undertakings have shown that a large number of workers, school and college students in the poorer localities do not use the public transport system as they can not afford it, despite the massive governmental subsidy attached to it.

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2. It is often observed that the fares of the passenger transport have risen very sharply in recent years, causing immense hardships to the consumers. Going by the popular concerns expressed through the mass media, demonstrations, agitations, questions raised in the Parliament and other bodies etc, one gets a feeling that the urban transport users are the worst hit by the recent fare revisions. Table 1 clearly brings it out that the losses per effective kilometer in the nationalised transport undertaking have been rising continuously since 1976-77. The profits were positive in the year 1971-72 but turned negative subsequently. This is primarily due to a sharp increase in the operating costs, specially that of the "fuel and lubricants". The losses were very small in the year 1976-77, primarily due to the fare revisions by several undertakings. This policy has been considered to be politically unrewarding and have, therefore, not been resorted in the subsequent years in a big way, to mop up the deficits.
3. Table II reveals that the increase in the loss per effective kilometer from 14.4 to 40.7, which is much higher than the increase in the cost of living index - is primarily due to the total revenue not keeping pace with the cost of the materials used by the transport undertakings. It would be erroneous to hold the government taxes responsible for this since the proportion of taxes to costs has come down from 17 percent in 1972-73 to 11 per cent in 1982-83. It may be inferred from Table III that the gap between the rates of increase in the revenue and costs during 1972-78 was very high and this became more so in the subsequent five year period. This indicates that the state governments have shown tremendous unwillingness to raise the transport fares to keep pace with the inflationary pressures.

4. Quite contrary to the general beliefs and concerns expressed in the Newspapers and other media, the Organisations responsible for the city or intra-urban transport charge much lower fares and, as a result, incur heavier losses per kilometer of their operation, compared to the undertakings organising regional or interurban transport. Also, the organisations like the Delhi Transport Corporation (DTC) which provides inter-city transport in the north-western region of India besides being the largest city transport undertaking in the country, charges a higher rate from the intercity passengers than those travelling within Delhi. In Bombay, the city undertaking, BEST, charges a significantly lower fares than the MSRTC, the state level transport corporation, for the same distance. The explicit policy of providing higher subsidies to the urban population has been defended in various ways - by explaining it in terms of several socio-political objectives. The need to compensate for the inconveniences of urban living, the necessity of commutation every day for the urban workers, the motivation to live in the peripheries etc. are quoted as the rationale for subsidising the transport system in the few large cities of India.
5. One does not need elaborate statistical data to show that the people living in the few large cities having the city transport facility enjoy a significantly higher level of living and of social infrastructure and public amenities compared to the rural population or those living in small towns. Urban population, on an average, have been shown to be having about three times income of the rural population in real terms. Non-availability of transport and at reasonable prices have hindered the development prospects of several backward regions in the country. People living in the villages

and small towns, often can not commute to other neighbouring towns or villages as the fares are very high. Also, the level of the services here happen to be extremely poor and highly unreliable. With all this, the people in the rural areas and small towns do not get any transport subsidy from the Government. If commutation is inevitable in a metropolitan city, it also provides economic opportunity to its people a higher level of income and of public facilities. If concentration of industrial and service activities in a few centres must inevitably, bring in separation between the place of work and of residence necessitating commutation, this also generates a higher level of income to compensate for the inconveniences and the costs. In no case, the "others" who do not have the opportunity of enjoying this higher level of income should be made to pay for the subsidies paid to the metro-dwellers. The governmental policy of covering the deficits in the city transport undertakings by diverting funds from the General Exchequer, therefore, can not but be regressive in nature. The only way one can justify the low fare charged from the consumers of urban transport is by demonstrating empirically that this is being used largely by the poor.

6. Several micro level studies have clearly shown that the users of the public transport system are not always economically worse-off than the average urbanites or those who use intermediate transport. A large number of workers from the poorer households do not use the public transport and instead walk or cycle to their places of work. All the available evidences from Bombay, Delhi and Bangalore suggest that the recent price hikes have pushed a section of the urban poor out of the bus transport system. This might reduce the overcrowding in the buses and improve the operating ratio etc.



but must have severely affected the lowest section of the city populations, specially because most of the poor localities happen to be located in the peripheries of the city. In any case, these localities do not have a high accessibility to the public transport system. The old parts of the city, that too have a high incidence of poor population, that too have a high incidence of poor population, are not generally well connected by the mass transport system, forcing the residents to go in for more expensive modes of intermediate transport.

7. All this is not an argument in favour of recommending general fare revision for the bus transport system in the cities to cover the full costs of the operation. It has been shown quite conclusively that a section of the urban poor do use the bus quite regularly and these are the people who get pushed out of it in case of fare hikes. The poor in Delhi, for example, despite their dependence on the cheapest mode of public transport viz. DTC, besides walking and cycling, spend a higher proportion of their total income on transport than the relatively better-off. A uniform raise in the bus fare last year has put unequal burden on different sections of the population in different localities, forcing a section of the poor to walk or cycle to their places of work and back. There is a strong case for restructuring the present system of providing subsidy to the urban commuters in a fashion that the poor are in a position to get the bulk of it. A discriminatory pricing scenario requiring general increase in tariff, coupled with directed subsidies to the weaker section, seems quite feasible. This would require a switching over for the most of the commuters to monthly ticketing system from the daily ticketing system. This can, however, be brought about without much difficulty once the daily rates go up and monthly fares are kept at a relatively low level.



8. It is absolutely necessary to maintain the "normal" services at the present fares for most of the routes at certain fixed timings of the day. This would be largely used by the urban poor who can bear no increase in the cost of transportation. These services would have problems of overcrowding but this should be tackled by improving the quality of the services and introducing alternative bus system viz deluxe, semideluxe and super-deluxe, buses plying at regular intervals. An operational scheme of discriminatory pricing has been discussed in detail by the present author elsewhere.

A large section of the urban commuters need better services and are prepared to pay significantly higher fares for them. This has been evident from the growth of two wheeler and four wheeler traffic and that of the more expensive intermediate modes of travel in the cities. The urbanites, however, would join the demonstrators or agitationists to keep the general bus fares low because they know they would succeed in doing so. It should be amply clear that the demand for more comfortable public transport system with high efficiency and reliability can not be dissociated from the need for fare revisions.

It is common to argue that the quality of services can be improved by reducing inefficiency, bureaucracy and corruption in the transport agencies. One can say a lot in favour of this position and make a passionate plea for improving the efficiency and curbing, red-tapism nepotism etc. What is however unfortunate is that this argument is always used not for improving the management system but only for demanding continuance of the subsidies for the metro-dwellers. While all possible attempts must be made to improve the function

of the city transport undertakings, there is no reason why the people in the country as a whole, who on an average have a lower level of per capita income than the city dwellers should be made to bear the cost of inefficiency in the undertakings.

0. It is encouraging to find people organising themselves into groups, unions, societies etc, with the objective of protecting their own interests. They are often in a position to bring about adequate pressures on the government or other relevant bodies to obtain certain concessions, subsidies price reductions etc. But the organisations that work out the charter of demands solely by keeping the welfare of their own members in view and fight for them, soon get branded as pressure groups and can not be very effective in the long run. A popular movement for consumer's protection can, therefore, be built up based on a proper analysis of the total situation within a comprehensive framework that incorporates the interests of not merely the consumers but also of those who are presently not consumers., due to adverse socio-economic conditions. This approach, would be extremely important in drawing up proposals for the improvement of the urban transport services and for the rationalisation of the fare structures. Any attempt to organise people for the attainment of certain limited goal, without a proper analysis of its impact on different sections of the society can not promote social optimality.

TABLE - I

REVENUE COST AND PROFIT PER EFFECTIVE  
KILOMETER IN THE NATIONALISED TRANSPORT  
UNDERTAKINGS

(in paise)

<u>Year</u>	<u>Revenue</u>	<u>Cost</u>	<u>Profit</u>
1971-72	(132.3)	(129.4)	(2.9)
1972-73	139.8	154.1	-14.3
1973-74	(137.0)	(144.0)	(-7.0)
1974-75	(174.7)	(158.3)	(-4.2)
1975-76	(193.4)	(196.6)	(-3.2)
1976-77	(203.2)	(201.6)	(1.6)
1977-78	(209.9)	(212.7)	(-2.8)
1978-79	(223.2)	(228.7)	(-5.5)
1979-80	(239.3)	(251.9)	(-12.6)
1980-81	252.1	292.6	-40.5
1981-82	310.4	364.6	-54.2
1982-83	340.7	381.4	-40.7
1983-84	359.8	407.7	-47.9
1984-85	370.3	435.4	-65.1

Note: The figures within brackets have been taken from a study of thirty two nationalised road transport undertaking by Raman(1982). The other figures are for all STUs obtained from the Performance Statistics, compiled by the central Institute of Road Transport(CIRT). The figures from the sources are, therefore, not comparable.

TABLE II

COST AND REVENUE INCREASES DURING 1972-73 AND 1982-83

Particulars	1972-73		1982-83		Percentage increase
	Paise/Km.	% of total Cost	Paise/Km.	% of total Cost	
1. Personnel	46.5	31	117.4	31	152.7
2. Materials	51.5	33	145.3	38	182.4
(a) Fuel & Lub.	25.5	16	85.7	22	235.9
(b) Tyres & Tubes	9.6	6	30.7	8	218.5
(c) Spare Parts	10.5	7	23.9	6	126.5
(d) Others	5.7	4	5.0	1	Negative
3. Taxes	26.6	17	44.9	11	65.2
(a) MV Taxes	8.3	5	22.0	6	164.1
(b) Pass. Tax	17.6	11	20.8	5.4	18.5
(c) Other taxes	0.7	1	1.2	0.3	62.2
4. Depreciation	14.0	9	34.8	9	148.0
5. Interest	6.4	4	23.1	6	260.4
6. Others	9.2	6	16.8	4.4	82.4
Total Cost	151.2	100	381.4	100	147.4
Total Revenue	139.8		340.7		143.7
Profit/Loss	- 14.4		- 40.7		182.6
Operating ratio (Percent)	109.9		111.9		

Source: Performance Statistics, compiled by the CIRT

TABLE-III

COST AND REVENUE INCREASES DURING 1978-79 & 1984-85

particulars	1978-79		1984-85		Percentage increase during		
	Paise/Km	% of the cost	Paise/	% of the cost	1978-79 & 84-85	72-73 & 78-79	83-84 & 84-85
1. Personnel	73.9	31	142.9	33	93.37	62.42	9.17
2. Materials	80.2	33	147.4	33	83.79	55.73	-1.93
a) Fuel & Lub	41.0	17	92.1	21	124.63	60.78	-4.72
b) Tyres & Lubes	19.6	8	27.5	6	40.31	104.31	-6.14
c) Spare parts & others	19.6	8	27.8	6	41.84	20.98	-7.33
3. Taxes	36.3	16	50.5	12	39.12	36.47	1.61
a) M.V. Tax	18.8	8	22.6	5	20.21	126.50	22.6
b) Paying Tax	16.3	7	24.6	6	50.92	-7.38	0.82
c) Other taxes	1.2	1	3.3	1	175.00	71.43	3.12
4. Depreciation	23.8	10	38.3	9	60.92	70.00	7.58
5. Interest	11.3	5	30.0	7	165.49	76.56	14.94
6. Others	12.6	5	26.3	6	108.73	36.96	74.17
Total cost	238.3	100	435.4	100	81.71	57.60	6.79
Total Revenue	225.7	-	370.3	-	64.07	61.44	3.06
Profit/Loss	-12.6	-	-65.1	-	-	-	-

Source: Performance Statistics for different years compiled by the CIRT

NATIONAL SEMINAR  
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URBAN POOR

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Management Issues In The Delivery Of  
Urban Basic Services for the Poor

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# MANAGEMENT ISSUES IN THE DELIVERY OF URBAN BASIC SERVICES FOR THE POOR

by

Dr. R.K. Wishwakarma\*

Although pattern of urban growth varies considerably from country to country, certain features are common to most of the countries. About half the new comers cities are migrants and the other half are the native born. The vast majority of the migrants and native born is generally relatively poor. According to the 1978 World Bank estimates, 50% of the South Asia's urban population lived below the poverty line. The corresponding estimates for Sub-Saharan Africa, East Asia and the Pacific, and Latin America and the Caribbean were 26.8, 27.7, and 24.8 per cent, respectively. In the year 1985 about 400 million people in urban Asia, Africa, and Latin America were living in absolute poverty in the sense that their incomes were insufficient to meet their basic human needs of nutrition, health, education, water supply and sanitation. The poverty line is not sufficient<sup>1/</sup> as a cut-off point. Deprivation, therefore should be measured in terms of these items as well as income.

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<sup>1/</sup> Dandekar and Rath defined poverty in terms of household consumer expenditure, making use of estimates of minimum calorie requirements to determine the point at which expenditure is insufficient. Much of the subsequent discussion centred on Sukhatme's assertion that because of interpersonal and intra-personal variations in calorie requirements. The minimum line as used by Dandekar and others is in-appropriate. The current thinking is that (a) poverty should be expressed in

It is expected that by the year 2000, about 1 billion urban dwellers will be classified as urban poor. In India about 51 million or 32 percent of the urban population is considered to be below the poverty line.<sup>2/</sup> Since urban poverty both absolute and relative, tends to bring about the formation of slums, aesthetic problems concerning the city environment, distortion of urban functions, and increases in demand for public services, in addition to employment and income generation; it is most challenging task for the government to execute programmes and formulate policies of urban poverty. How does the government meet the challenge of urban poverty and socio-economic inequalities will to, a large extent, determine the economic, social and political stability of the nation.

There is a greater realisation among the intellectual planners and development scientists that growth without equitable distribution results in polarisation of development and further accentuates differences

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in terms of a small number of indicators, most of them non-monetary, covering the principal components of levels of living. (b) The indicators should be expressed initially in terms of distribution and not a cut-off point (such as the proportion below a certain income). The choice of a cut off point, below which people are said to be poor, in any case is not absolute, universal truth - cf. UNRISD, A Development Monitoring Service at the Local Level, Vol.II Geneva, 1983 pp. 22-23.

<sup>2/</sup> Govt. of India, Planning Commission, Seventh Five Year Plan. 1985-90, October 1985.

between hierarchical divisions in society. In recent years, efforts have been under way to deal with the problems of poverty through more efficient and equitable public policies and programmes. One such strategy is the basic needs approach by expanding the base of services such as health, education, nutrition, social welfare housing, public transport and utilities in order to achieve the objectives of equitable distribution of national resources.

#### INDIA CONCERN FOR URBAN BASIC SERVICES (UBS)

Realising that welfare of people depended upon the people's access to income earning opportunities and services, the Government of India have been making sustained efforts to cope with the demand for urban poor. A policy analysis of urban development strategies would reveal that the concern for public welfare has strongly influenced national development goals and strategies and a shift in national urban policy from integrated development of small and medium towns (IDSMT) to urban basic services (UBS) during the Seventh Plan is a clear manifestation of a such change in policy planning. Frequent changes in urban policies from integrated urban development projects (IUDP) to IDSMT and IDSMT to UBS and Housing Policies, might lead someone to believe that there seems to have policy paralysis. Without indulging into the debate on urban policy, it would be worthwhile to jump to the UBS strategy, and the delivery of these services within a given organisational framework and institutional set-up.

## UBS STRATEGY

The UBS strategy combines the urban community development programme, small and medium town development and low-cost sanitation under a single package called UBS. The UBS project is supposed to be linked to other development programmes. In pursuing the spatial perspective of the district as a focal point of planning, the UBS programme will seek mutual reinforcement and have to work closely with government programmes such as Integrated Child Development Services (ICDS), Social Inputs in Area Development (SIAD), Development of Women and Children in Rural Areas (DWORA), Integrated Development of Small and Medium Towns (IDSMT) and Urban Community Development (UCD), which are active in both rural and urban areas.<sup>3/</sup> The idea behind mutual reinforcement is to reduce rural urban imbalance in social development and at the same time prevent urban problems from becoming intractable, by reducing the need for rural families to migrate to the towns.

The broad aims of the programme are to:

- (i) "reduce substantially the morbidity and mortality rates of children;
- (ii) develop the potential of children through improved access to learning opportunities and other basic services;

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<sup>3/</sup> UNICEF, Plan of Operations 1985-89, Country Programme of Cooperation, Government of India & UNICEF Agreed Draft: November 1984, Chapter 2.

- (iii) enhance awareness and ability of the urban low-income community to meet its own needs, particularly those of children and women, with or without outside help; and
- (iv) to improve the capacity of the municipality and voluntary organisations to effectively launch and manage child specific programmes for the urban poor"<sup>4/</sup>

#### Management of Basic Services

These urban basic services are generally provided through various bureaucratic organisations of the state, local, central government authorities including statutory constituted public bodies and other development authorities. These organisations and authorities are also responsible for the administration and implementation of public policies designed to promote the welfare of the people. But in real life situation, the programmes for the urban poor in rapidly growing urban areas, are more likely to have multiple goals to serve diverse clientele, and to operate in a complex political and social environment. In such a situation it is important to shape programmes to diverse beneficiary needs focusing both on mobilising demand and on careful design of supply logistics.<sup>5/</sup> On the other side, it may be the case, as Hassan<sup>6/</sup> argues that many urban programmes suffer from the problem of

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<sup>4/</sup> Ibid.

<sup>5/</sup> Samuel, Paul, Managing Development Programmes: The Reasons of Success, Boulder, Co. Westview Press, 1982. p. 127.

<sup>6/</sup> Hassan, R. Problems of Access to Public Services For The Poor, Regional Development Dialogue, Vol. 6. No.2. 1985.



excess demand; and therefore rationing of services might place the urban poor at disadvantage. Thus if the programmes are actually supposed to reach and to change the behaviours and values of the poor, as education, public health, family planning and, in some cases, even housing services are intended to do, then stimulating demand through information and advice about services available is all the more necessary so that the poor can effectively compete for the limited resources that are available. And the gap between availability and the use of services will be filled up through awareness.

In the management of basic services, accessibility of public services to the urban poor is too often taken for granted. Although it is a useful conceptual 'prism' through which development problems could be viewed from perspective and potential beneficiaries of government programmes, it is also a useful measure of the efficiency of bureaucratic organisations and institutional framework for the implementation of development goals. But "the problem of access has several dimensions which could be grouped at three levels which are: (a) cognitive; (b) behavioural, and (c) bureaucratic administrative or institutional. Each of these levels is profoundly influenced and conditioned by the social structure and social processes."7/ Their inclusion is necessary in planning for more equitable access.

The welfare of people depended upon the degree to which they are able to get access to the use of public services in order to ensure the standard of social and economic wellbeing. In order to meet the growing demand for urban basic services for the poor, the government

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7/ Ibid. p. 58.

have been engaged in implementing a variety of programmes, including (a) income and employment generation programme, (b) public assistance programme, and (c) programmes for improving housing for squatter settlements and economically weaker sections of the society. But the organisational framework biases access of these services in favour of higher income groups <sup>it</sup> tends to distort and the process reinforces the disadvantages under which the poor usually live.

#### Management Issues

The services which are provided by public bodies are generally water supply, solid wastes disposal, sewerage, drainage, and environmental sanitation, urban housing, urban roads, parks, playgrounds, electricity, health and education and related infrastructure. And several agencies at different levels of government and with different sectoral responsibilities are involved in the delivery of basic services. This functional fragmentation in the delivery of services indicates the critical need for coordination. The organisational and institutional framework for the management of basic services appears to be too complex. While the project management unit in UBS is given the overall authority over all project components, there are other sectoral entities also having similar direct lines of authority.

In spite of the efforts to establish responsibility of and to delineate areas of jurisdiction including lines of coordination, the system is not so simple to be executed in a simplified manner.

In the interrelated system of various departmental functionaries in the delivery of urban basic services, management of services involves a high level of coordination of inter-sectoral interests besides decentralisation both of personnel and manpower capabilities and identification of needs through public participation. The whole complex of delivery of services involves multi-level convergence of these services over the space. Therefore, while making urban programmes under UBS continuity in terms of objectives and actions need to be suitably framed within the context of multi-year programming. This will necessitate mechanics of an effective transfer of information, coordination and involvement among sectors and thus needed sectoral integration of total plan in the context of all other sectors.<sup>8/</sup> Basic services provided by the local authorities have to be linked to other infra-structural agencies like transport, power, communication, health and education which are also parts of urban development whether it is a case of IDGMT or UBS.

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<sup>8/</sup> Wishwakarma, R.K., Planning For the Poor - With a Focus on Urban Basic Services, NAGAR LOK, Vol. XVIII, April-June, 1986 No.2, p. 20.

The Project Officer of the rank of District Collector with powers of heads of sectoral department to manage the UBS affairs will have to rely more on the political system and bureaucracy for the involvement of the community and local organisations. Since anti-poverty programmes are changing and delivery of urban services like slum improvement, sanitation, garbage removal, etc. can be organised and even paid for at the community level, this calls for better allocation of existing funds and mobilisation of additional resources by the municipal bodies themselves. Simultaneously, the performance task and achievement motive would have also to be changed in a developing situation, to suit the environment. The inflexibility which is often built into the ways of bureaucracy exercises pulls in two opposite directions and the organisation is often unable to respond to the needs of change. Thus a system created for efficiency becomes a drag on development.<sup>9/</sup> Unless development administration of UBS combines the elements of policies (who benefits) and organisation theory (structural and institutional changes) with bureaucratic reorientation (changes in tasks, roles, values, attitudes and behaviour patterns)<sup>10/</sup> and establishes a link between changes

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<sup>9/</sup> Dayal I and Amrit Kala Dayal, Organisation for Management in Developing Countries, Concept Publishing Company, Delhi, 1978, p. 55.

<sup>10/</sup> Sanwal, M. Consolidation vs Change, Economic & Political Weekly, Vol. XXI, No. 28, July 12, 1986, p. 1211.

in the incidence of poverty and delivery of services, there is no possibility of having a fruitful solution to any anti-poverty programme. Any improvement in the management of urban basic services depends in a large measure on improving the knowledge and skill of the political leaders and administrative managers who are responsible to tackle problems, bring innovations in methods of management through new approaches and improving the existing ones.

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NATIONAL SEMINAR  
ON  
DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

- Water Supply and Sewerage -  
Position in the Priority List of Infrastructural  
Development Plan for the Urban Poor

Dr. Promod Samantaray

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THE INDIAN INSTITUTE OF PUBLIC ADMINISTRATION  
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- Water Supply and Sewerage -  
Position in the Priority List of Infrastructural  
Development plan for the Urban Poor

By

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Introduction:

It has always been difficult to draw the poverty line and lay down unequivocal criteria for the purpose of identifying the poors. The concept of socialisation in terms of equitable distribution of money, material facilities and socio-administrative support and assistance for every individual under the sun has by and large remained theoretical. Even in the extremes of social and political systems operating anywhere in the world; situations like affluence and poverty exist. However there appears to be some kind of dynamic interaction between the two situations, thereby perpetually deviding and re-grouping the population into three major economic class intervals i.e. the affluent, rich and the poor.

Population Vrs Urban Poor in India

Attempts have been made in the recent past in India, to evolve practical yardsticks for measurement of the size of our population living below poverty line. (National Sample Survey 1977-78).

Table - 1

POPULATION

<u>Year</u>	<u>Population in Millions</u>
1981 (as per 1981 census)	685
1991 (High estimate)	843
2001 ( - do - )	1052
Ref: Health statistics of India 1985)	

Table - 2

PERCENTAGE URBAN POPULATION AS PER 1981 CENSUS

<u>Place</u>	<u>% age</u>
All India	23.31
Delhi	92.72
Chandigarh	93.63
Arunachal Pradesh	6.56
Himachal Pradesh	7.61

(Ref: Health Statistics of India  
1985)

Table - 3

PERCENTAGE URBAN POPULATION BELOW POVERTY LINE

<u>Place</u>	<u>% age below Poverty line</u>
All India	38.19
All Union Territories	17.96

Ref: Health Statistics of India  
1985)

The above estimates are derived by using the All India poverty line of Rs. 65 per capita per month in 1977-78 prices corresponding to minimum daily calories requirement of 2400 per person in rural areas and the poverty line of Rs. 75 per month corresponding to daily calorie requirement of 2100 in urban areas.

Community need for water in Developing Urban Areas inhabited by poor sections of People.

The consumption of water depends upon climatic conditions, living standards and habits of people and size of population under consideration.

Table - 4

Estimated water consumption at different community places.

<u>A) Dwelling Avenues</u>	<u>Need cgd/person</u>
Dwelling units, residential:	
Private dwellings depending on free surface water sources (ponds, tanks, rivers, canals etc.)	150-250
Private dwellings on public water supply	100-200
Dwelling units	
Hotels	50-100
Boarding houses	50-100
Lodging houses and tourist homes without eating facilities	40-60
Camps:	
Day, no meals	30- 50
Labour	50-100

Restaurants	
Average	100-150

Institutions:	
Average type	75-125
Community Hospitals (PHCs & Sub-centres)	150-250

Schools:	
Day, with cafeteria or lunch room	50-100
Boarding	100-150

B) Industrial Avenues:

<u>Process</u>	<u>Water Consumption</u>
Fruits and vegetables/gal/ton	2000-10000
Chemical Industries: Gal/ton.	7000-34000
Food and beverage Industries: Gal/ton	4000- 5000
Pulp and Paper: Gal/ton.	82000-230000
Textiles:	
Bleaching, Gal/ton (Cotton)	72,000-96,000
Dyeing, Gal/ton.(cotton)	95,000-19,000

Table - 5

Wastewater Flow-rates

<u>Establishment</u>	<u>Unit</u>	<u>Flow, gpd/unit</u>
Labour camps	Person	25
Lodge or cabins	Person	50
Hotel	Person	75
Dormitory	Person	50
Residence homes, apartments	Person	75
Cafeteria	Table seat	150
Hospital	Bed	200
Gas station	Station	200-5000
Fish cleaning station	Station	7500

In a combined system, the quantity of wastewater outflow through sewerage, varies from 80-100 gpd/head.

Sewage is waste water from the community containing 99.9% water and 0.1% solids partly organic and partly inorganic. The main health hazard is presence of numerous living pathogenic organisms derived from faeces. It is estimated that one gm. of faeces may contain the micro-organisms in the following orders:-

Table - 6

<u>Micro-organism</u>	<u>Number/cm of faeces</u>
E.coli	1,000 million
Streptococci	10-100 "
Clustridia (Spores)	1-10 "

The sewage must be purified in order to:

- a) stabilise the organic matters by breaking them down to, simple substances which can't decompose further.
- b) Produce an effluent which is free from pathogens and which can be disposed of without causing nuisance to community/environment.
- c) utilize the water and solids, if necessary, without risk to health.

Bacterial growth in Sewage mass:-

Bacteria can reproduce by binary fission, sexual mode or budding, mostly by binary fission. The generation time varies from 20 minutes to days & depends on environmental condition. If the generation time is 30 minutes one bacterium will multiply to 16,77,216 bacteria within 12 hours underfavourable circumstances.



Table - 7

List of Water-borne diseases

1. Those caused by the presence of an infective agent:
  - a) Viral : Viral hepatitis A, poliomyelitis
  - b) Bacterial: Cholera, bacillary dysentery, typhoid fever, paratyphoid fever, gastroenteritis, infantile diarrhoea, tularaemia (rarely)
  - c) Protozoal : Amoebiasis, giardiasis.
  - d) Helminthic: Roundworm, whipworm, threadworm, hydatid disease
  - e) Leptospiral: Weil's disease
2. Those due to the presence of an aquatic host:
  - a) Water-Multiplied : Schistosomiasis (vector: snail)
  - b) Not multiplied: Guinea worm, and fish tape worm (vector: cyclops)
3. Those due to the presence of toxic and inert substances:
  - a) Toxic substances : Lead, arsenic, selenium, mercury, cyanide, cadmium. These substances, if present at concentration above certain levels, may give rise to actual danger to health.
  - b) Substances which may affect health: Fluorides and nitrates. Excess of fluorides is associated with dental and skeletal fluorosis. The ingestion of water which contains nitrates in excess 45 mg/l (as No) may give rise to infantile methaemoglobinaemia.
  - c) Radio activity: Safe limit is Gross alpha activity less than 3 pcu/Litre  
Gross beta activity less than 30 pCu/litre

Table - 8

WATER-BORNE DISEASE OUTBREAKS 1961-70 BY TYPE OF ILLNESS (U.S.A.)

<u>Illness</u>	<u>Total Out-break</u>	<u>Cases</u>
Gastroenteritis	39	26,514
Infectious hepatitis	30	903
Shigellosis	19	1,666
Typhoid	14	104
Salmonellosis	9	16,706
Chemical Poisoning	9	46
Enteropathogenic E. Coli	4	188
Giardiasis	3	176
Amoebiasis	3	39
Total	130	46,374*

Ref: Culp, Gondon L, (1974) New concepts in Water Purification P.181.

Safe water supply, an investment

In Uttar Pradesh, following a comprehensive programme of waterworks sanitation, the death rates due to different diseases came down sharply as under:

Table - 9

<u>Death rate due to</u>	<u>Decreased by</u>
Cholera	74.1%
Typhoid fever	63.6%
Dysentery	23.1%
Rate of diarrhoeal diseases	42.7%

Ref: WHO (1964) World Health, July-Aug. 1964.

### SAFE WATER

Safe and wholesome water is the water that is:

- 1) free from pathogenic agents;
- 2) free from harmful chemical substances;
- 3) Pleasant to the taste;
- 4) Usable for domestic purposes.

Ref: Steel, EW (1960) Water supply & Sewerage 4th Edn. Mc Graw Hill.

### Conclusion

As a result of integrated efforts of the Government in tune with Nation's high expectations to forge ahead towards the 21st century; coming years are bound to witness great strides in community development, sophistications in existing practices in Agriculture, Industry, Commerce & Business, Education, Transport & Communication, Health, Ecology & Environmental improvement etc. With passage of time, rate of migration of increasingly large percentage of population from Rural to Urban sectors is bound to happen. The percentage of poor peoples' colonies in and around urban avenues is bound to increase. Unless, clean water supply & appropriate sewerage facilities are planned and installed with futuristic approach, well in advance, the entire urban life will face the potential health hazards in form of Epidemics of various communicable diseases, which have claimed very heavy tolls in the past.

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NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(FEBRUARY 2 - 3, 19 87 )

LOAN SCHEMES FOR THE URBAN POOR: A CASE STUDY OF  
HYDERABAD SLUMS

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LOAN SCHEMES FOR THE URBAN POOR:  
A CASE STUDY OF HYDERABAD SLUMS\*

by

K.E. Vaidyanathan† and K.S. Bhatt††

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I. INTRODUCTION

This paper is concerned with the working of the economic support measures for the urban poor, more specifically those residing in the slums. Hyderabad has been chosen for this pilot study, since Hyderabad has been a pioneer city in India in the establishment and successful implementation of a slum upgradation programme which has benefitted the urban poor. The approach adopted in Hyderabad involved the integration of social, economic, housing and environmental services in the slums and backward areas of the city on the basis of "felt" needs and enlisting the participation of the community in all these programmes. The inputs provided under various development programmes included (a) civic infrastructure, (b) housing, (c) health and nutrition inputs such as immunization, nutrition and health education (d) pre-school education; and (e) economic support programmes. Starting with a pilot project in 1967 on an experimental basis involving about 50,000 people, the Urban

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Community Development (UCD) programme was expended to cover the entire city divided into seven zones.

The number of slums in Hyderabad is estimated to be around 500 and constitutes approximately 20 per cent of the total population of the twin cities. While the urban poor are not residents exclusively in slums and squatter settlements, majority of them happen to live there because of high cost of housing elsewhere and the possibility of location of their activities in such areas. Their poverty is attributable to the lack of sufficient opportunities for steady and gainful work, which is again due to the imbalance between supply and demand for labour, which are affected by entirely different sets of factors. While the supply is influenced by demographic and social factors, the demand is influenced by the rate of growth of economy, choice of technology, scale of enterprise, etc. Under employment, low income and poor purchasing power are manifestations of these imbalances. The government's economic support programmes are intended to stimulate employment, generate additional incomes and improve their purchasing power.

In Andhra Pradesh, the government has set up seven corporations to carry out the Income and Employment Generation (IEG) schemes:

1. Andhra Pradesh Scheduled Castes Cooperative Finance Corporation Limited (SCFC).
2. Andhra Pradesh Scheduled Tribes Cooperative Finance Corporation Limited (STFC).
3. Andhra Pradesh Backward Classes Cooperative Finance Corporation Limited (BCFC).



4. Andhra Pradesh Women's Cooperative Finance Corporation (WFC).
5. Andhra Pradesh Physically Handicapped Cooperative Finance Corporation Limited (PHFC).
6. Andhra Pradesh State Minorities Finance Corporation Limited (MFCL).
7. Andhra Pradesh Self Employment Training for the Twin Cities Corporation (SETWIN).

While these corporations are not exclusively meant to serve only the urban poor, many of them are concentrating their activities on this segment of the population. This is more so with regard to SCFC and BCFC.

The aim of this paper is to highlight the following:

(i) how the economic support measures (loan schemes) are implemented, (ii) what kinds of problems are observed; and (iii) what the beneficiaries of the loan schemes think about them. While the observations in this paper on the first two are based on discussions with the officials of the Municipal Corporation of Hyderabad, bank officials and basthi leaders, the findings on the beneficiaries' perceptions are based on a pilot study of 23 beneficiaries of loan schemes. A detailed study of a larger sample of beneficiaries is in progress as part of the evaluation of the Hyderabad Slum Improvement Project undertaken by the Southern Regional Office of the Council for Social Development at Hyderabad. The observations made in the present paper should, therefore, be regarded as only provisional and subject to confirmation by the in-depth study.

## II. HOW THE LOAN SCHEMES ARE IMPLEMENTED

The administrative set up in the Municipal Corporation of Hyderabad includes a Slum Development Officer (SDO) who has jurisdiction over a few slums in the city and he/she works under the supervision of a Project/Deputy/Project Officer for the circle in which the slum is located. The Slum Development Officer is in constant contact with the residents of the slums which are under his jurisdiction and he plays a key role in the identification of potential beneficiaries. Secondly, for every slum area, a particular branch of nationalised bank is identified as the lead bank for issue of loans. The procedure followed for selection of beneficiaries and implementation of loan schemes is as follows:

- (1) Based on his personal knowledge of the residents of the area and discussions with the informal leaders in the Basthi, the SDO draws up tentative lists of potential beneficiaries for each slum.
- (2) The Urban Community Development (UCD) Department of the Municipal Corporation of Hyderabad then forwards the lists to the SC/BC Corporations for processing. In the fortnightly meetings with the banks held by Project Officers of UCD, a date is fixed for a joint visit to the slums for the selection of beneficiaries. The SDO informs the potential beneficiaries to be present for discussions on the loan requests.
- (3) The Bank Manager, Project Officer of UCD and the officials of the SC/BC Corporations jointly interview the potential beneficiaries on the appointed date and hold discussions with them. On the basis of these discussions they select the beneficiaries of the loans. They are provided the necessary forms for loan application and asked to submit them along with their photographs.

- (4) The application forms are then forwarded by the SC/BC Corporations to the banks along with the 20 per cent "margin" money provided by the SC/BC Corporations.
- (5) The banks release the loans along with the margin money on completion of certain bank formalities including the opening of a Savings Account in the bank by the beneficiary. The loan amount is deposited in the Savings Account and he is allowed to withdraw most of it and is advised to repay in monthly instalments, which vary according to the loan sanctioned.

### III. PROBLEMS ENCOUNTERED

While the programme is well formulated, there are number of problems encountered in view of the large number of persons aspiring for loans, their diverse background and capabilities and the limited staff resources of SC/BC Corporations and Banks who are required to process the loans. These problems may be grouped under five broad categories.

#### A. Time Lag

- (i) The time lag between the preliminary identification of potential beneficiaries and the date of interviewing them could be as much as 3 to 4 months in some cases.
- (ii) The time lag between the date of selection of the beneficiary and the date of sanction of the margin money by the SC/BC Corporations is invariably 2 to 3 months.
- (iii) The time lag between the release of the margin money by the SC/BC Corporations and the sanction of the loan by the banks could vary between one to three months depending upon what time of the year the application is made.

B. Quantum of Loans

The quantum of loans did not depend upon the needs of the beneficiary for undertaking the particular trade, but upon some implicit "norms" set by the banks for the particular trade or business. For example, the loan amount is fixed as low as Rs.300-500 for vegetable/fruit trade where the requirement will be of the order of Rs.1,000/-. A centring worker gets Rs.1,000 to 2,000 while his requirement could be of the order of Rs. 5,000/- - Rs. 10,000/-. The money being insufficient to provide an adequate return, it is likely to be spent on unproductive activities including personal day-to-day expenses.

C. Lack of Skills

Many loanees lack the necessary skills to organise a new trade or productive activity; consequently there are too many of them concentrating in activities which require little or no skills such as rickshaw pulling, vending of vegetables, selling stainless steel utensils, running kirana shops, etc. Unless they have the skills or previous experience in the trade for which he/she applies, the banks do not consider them for the loan; and unless they obtain the loan, they cannot venture into a new trade or activity. There is no attempt by the banks, SC/BC Corporations or by the UCD to provide counselling, career guidance or skill development.

D. Administrative Problems

For the banks, the sanctioning of small loans is not highest priority; deposit mobilization, maintenance of customer accounts, and financing of business ventures, etc. assume for greater importance in their range of activities. Consequently UCD officials as well as basthi leaders complain of the high-handed attitude of bank managers, etc. In the case of SC/BC Corporations, they consider that their role ends with the sanction of margin money; it is the UCD officials who should be responsible for identifying the beneficiaries, bringing them for meetings with officials of the SC/BC Corporations, get the loan applications processed through the SC/BC Corporations and banks and ensure their prompt repayment. On the other hand, the UCD officials regard themselves as catalysts in the loan process and do not wish to assume the role of creditors, feeders and administrative agencies acting on behalf of banks. Moreover, the loan scheme is only one of the many schemes for slum upgradation in which UCD officials are involved and they cannot be expected to devote all their time and energy for this activity. On the other hand, the Slum Development Officers being more accessible than the officials of SC/BC Corporations and the banks, they are under greater pressure from the community at large and the slum leaders in particular for the immediate sanction of loans. The debate on the roles of the three agencies continues and in the meanwhile the lack of coordination between them affects the programme.

#### E. Role of the Basthi Leader

In most of the slums in Hyderabad, there are basthi leaders who are both capable and articulate although with little or no education. With the advent of the 20-point programme of the late Smt. Indira Gandhi, and the 15-point programme of present Andhra Pradesh Government, the basthi leaders have become greatly aware of the possibilities for advancement provided by the Government would like to make the best use of them. They have become active not only in recognising opportunities for loans and also in encouraging the residents of the basthi to apply for them, but are also actively participating in helping Slum Development Officers to identify the potential beneficiaries and using their influence to ensure their selection. In many cases, the motive could be altruistic ones, viz. to ensure better standards for their compatriots in the slums; however in some cases the motivation seems to be some monetary gains for themselves in the process of securing the loans. The problems facing the loan administration is to secure the best possible cooperation from the basthi leaders without letting them get the upper hand in decision making about the persons to be benefitted or about the quantum of loans to be given.

#### IV. RESULTS OF THE PILOT SURVEY\*

In order to understand the major characteristics and problems of the beneficiaries of the loan schemes, a pilot survey was

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\* We acknowledge the assistance received from Mr. N. NARASIMHA MURTHY and Mr. K. VENKATESWARLU, Investigators, for canvassing the schedules and tabulating the data presented here.



carried out in the selected slums of Hyderabad during October-November, 1986. A total of 23 beneficiaries of the income and employment generation schemes were interviewed. They were from different trades/activities as detailed below.

Trade	No. of Beneficiaries
Rickshaw Pullers ..	: 4
Carpentry ..	: 3
Centring ..	: 2
Coconut fibre processing ..	: 3
Vegetable/Fruit vendors ..	: 4
Kirana/cloth shop ..	: 3
Petty business, tailoring, milk vending ..	: 4
T O T A L ..	: <u>23</u>

Out of these 23 beneficiaries, 18 were Hindus and 5 muslims. A predominant number (13) belonged to Scheduled Castes, 3 each to Scheduled Tribes and Backward Castes, and 4 to other communities. Twelve out of 23 beneficiaries were living in pucca houses defined as houses having solid/impermeable roof, walls and floor. Ten beneficiaries were living in semi-pucca houses viz., houses with one of these is made up of permeable material. A majority of the beneficiaries (19) were living in their own houses. Every one of the beneficiaries were living in the

The following is the distribution of beneficiaries according to family size:

Family size	No. of beneficiaries	Total No. in Households
3	2	6
4	5	20
5	3	15
6	2	12
7	6	42
8	3	24
9	2	18
	<u>23</u>	<u>137</u>

The average family size of the beneficiary households worked out to be as 5.96.

The distribution of the number of persons in the selected households according to broad age-groups is as follows:

Age-group	No.	%
0 - 15	58	42.3
15 - 59	72	52.6
60 +	7	5.1
Total	137	100.0

#### Beneficiaries' personal and Household Incomes

From the limited data available to us, we have tabulated the average monthly individual and household incomes of the beneficiaries according to the trade and these are given below:

Trade	No.	Beneficiary income (Rs.)	Household income(Rs.)
Rickshaw pulling	4	434	636
Carpentry	3	800	833
Centring	2	400	610
Coconut fibre processing	3	153	957
Vegetable/fruit vending	4	581	1231
Kirana/cloth shop	3	600	1233
Petty business, tailoring, milk vending	<u>4</u>	<u>243</u>	<u>796</u>
	<u>23</u>	<u>456</u>	<u>210</u>

It is evident from this table that the households of some trades are better off than the others; for example, the vegetables/fruit vendors and kirana/cloth shop keepers had average household incomes of Rs.1231 and Rs.1233 respectively, while the average household income of Rickshaw pullers and centring workers was only Rs.636 and Rs.610 respectively. The monthly income of the beneficiaries was highest for carpenters (Rs.800), while it is the lowest in the case of those doing coconut fibre processing (Rs.153).

The following table gives the distribution of beneficiaries according to their monthly personal and household income levels:

Table showing the distribution of beneficiaries according to their monthly personal and household incomes

Personal income group(Rs.)	No. of beneficiaries	%	Household income group(Rs.)	No. of households	%
< 500	11	47.8	/Rs.800	9	39.2
500-700	6	26.1	800-1100	8	34.8
700-1000	5	21.7	1100-1400	3	13.0
1000+	1	4.4	1400+	3	13.0
Total	23	100.0	Total	23	100.0

It is seen from the table that the majority of the beneficiaries (47.8%) have low income situations (of less than Rs.500 per month), and 39.2% have household income below Rs. 600 per month. These data seem to confirm that the poorer sections of the slum dwellers are indeed benefitted by the loan schemes.

Nature of participation in I E G

Eighteen out of the 23 beneficiaries reported previous experience in the particular activity as the reason for choosing the particular trade for the loan, and only 5 gave other reasons such as low rate of interest, previous training related to this activity and advice being available in the particular trade chosen. Most persons did not know the distinction between the loan and margin money and that the loan included 20% margin money provided by the SC/BC Corporation, Minorities Corporation or other agencies of the Government. Likewise, most loanees were not knowing the rate of interest charged and this had to be ascertained from the Basthi Leader, Slum Development Officer or others. The rate of interest charged was only 4% and this was lower compared to the rate of interest charged by money lenders, private financiers and others.

The average loan amount according to trade is as follows:

Trade	Average loan amount (Rs.)
Rickshaw puller	1725
Carpentry	1483
Centring	2000
Coconut fibre processing	267
Vegetable/fruit vending	1575
Kirana/Cloth shop	3167
Petty business, Tailoring and milk vending	1225
Average for all trades	1602

The beneficiaries were asked whether they were given any equipment in kind or other assistance in settin up this trade. It was observed that none received equipment in kind or advise concerning the trade. In the case of Rickshaws and sewing machines, the bank had paid the amount directly to the manufacturers. The beneficiaries however complained about the poor quality of these rickshaws, which necessitated frequent repairs.

The time taken from the time of application to the time when loan was released varied from one month to 14 months and the average duration was 4 - 6 months. Out of the 23 beneficiaries, 22 reported utilising the loan for the intended purpose. One respondent had utilised 90% of the loan for the intended purpose, and spent the remaining amount for personal expenses.

The loan procedure precluded the possibility of the beneficiaries asking for a larger amount than sanctioned. Banks have adopted some "norms" of the loan amounts for different trades and only these amounts were entered in the applications and later sanctioned. Nine out of the 23 beneficiaries reported that the loan was not adequate. Some of these persons reported that they utilised whatever was given and some reported that they had to draw upon past savings or other private loans to fill the gap.

Community Assistance and Official Cooperation

The beneficiaries were asked how they came to know about the loan, and whether any one assisted them in applying for the loan. The responses are given below:

	<u>Source of information</u>	<u>Source of assistance</u>
1. Friends & relatives	5	1
2. Basthi Leader	8	5
3. U.C.D. Officials	5	6
4. Bank Officials	3	3
5. Any other, such as Balwadi teacher	2	8
	<u>23</u>	<u>23</u>

While the main source of information has been basthi leaders, friends and relatives and UCD officials, it was observed that the Basthi leaders, UCD officials, Balwadi teachers and other non-relatives have helped the beneficiaries in filling the applications for getting the loans. Most beneficiaries acknowledged the assistance they had received from the SDOs in contacting bank officials for securing the loans.

The beneficiaries were asked if they had taken any loan earlier. Nineteen out of the 23 replied that this was the first time they had applied and got a loan; only 2 persons had taken an earlier loan and repaid it. Beneficiaries were asked about the number of times they had to go to the UCD, CFC and Bank in order to obtain the loan and they reported between 0 and 10 times in each case. The average number of visits per person worked out to 7 times for all the 3 (UCD, CFC and Bank),



out of these on an average they reported having visited the banks 4 times. The beneficiaries were asked about the cost of these in terms of loss of wages, transport expenses etc. and the average cost worked out to Rs. 99 per person. Five persons reported that they went to the bank only for getting the loan and they were saved the botheration of visits to the Bank/UCD/CFC because of the assistance they received from the basthi leaders or SDOs. Majority of the beneficiaries were satisfied with the procedures followed for the sanction of loan.

#### Loan Productivity

The beneficiaries were asked whether they had begun to repay the loan. While 16 responded positively, 7 responded they they had not yet started repaying. All persons reported that the repayment was to be made on monthly basis. Out of the 23 beneficiaries studied, 10 reported that they were unable to pay as per the repayment schedule due to low profitability of the trade, unexpected household expenses like functions, etc. All had reported cutting down their personal and household expenses or doing additional work in order to make the repayment. Only two out of 7, who had not made any repayment, could be regarded as serious defaulters; the remaining 5 persons expressed their intention to repay as soon as their financial position improved. Three persons reported that they could pay more and the average potential extra cost recovery worked out was Rs. 15 per month. In all cases, the beneficiaries themselves went to bank to make the

repayment and no bank official came to collect the amount. It appears that the loan recovery could be better if the bank officials make personal contacts or send a letter reminding them about their obligation to make repayment.

The beneficiaries were asked if they were earning more now than they were earning earlier and 15 out of the 23 beneficiaries reported increased earnings averaging Rs.195 per month per annum. They were also setting aside on an average Rs. 54 per month in order to fulfil the repayment obligation. When enquired whether there was any improvement in their living conditions as a result of the loan, 14 reported improvement in their living conditions such as increased food intake, better clothing, education for their children, improvement of their housing conditions, etc.

The following average expenses for food, clothing, education of children and improvement of their houses were reported in the survey.

- |   |            |
|---|------------|
| 1. Average Household expenditure on food per month    | .. Rs. 505 |
| 2. Average expenditure on clothing per month          | .. Rs. 108 |
| 3. Average expenditure on education per month         | .. Rs. 15  |
| 4. Average annual expenditure on improvement of house | .. Rs.1325 |

### Maintenance of Assets

Another question with which this survey was concerned was to know whether the assets purchased by the beneficiaries from the loan was maintained properly or not. In some of the cases (5) there were no assets involved. In such trades as coconut fibre processing, petty business, vegetable/fruit business, etc., the loan was almost entirely needed for purchase of raw materials or for working expenses. In the case of rickshaw pullers, the asset is the rickshaw itself, while a few tools are required for carpentry; and petty vendors often acquired a push cart or a balance and weights out of the loan amount.

In most cases, the assets were intact although expenditure on the repair, maintenance and replacement of the assets have been high averaging Rs. 694 per person or 52 per cent of the loan amount for the 5 beneficiaries reporting such expenditure. This is especially the case with rickshaws which required frequent repairs because of poor road conditions too. Only even beneficiaries reported that they were able to mend the assets themselves and the majority (11) reported that they could not mend the assets. Ten out of the 18 beneficiaries reported that the equipment was still in use. In all cases, except vegetable vendors, the assets acquired were in good condition. The vegetable vendors reported that the baskets acquired for transporting vegetables did not last long and had to be replaced often.

### Supply of Raw Materials and Credit

The survey also elicited information whether the beneficiaries purchased raw materials from the same source or from different sources and whether they were given credit. This question was not put to rickshaw pullers or tailors who did not make use of raw materials or supplies. Only 4 out of the 13 beneficiaries reported getting the raw materials from the same source of supply and only two received credit facilities. The frequency of replenishment of raw materials varied according to trade; some, like vegetable vendors needed daily supplies while others like kirana/cloth business or carpentry required weekly supply. The average value of raw materials obtained is given below:

Trade	Frequency	Value (Rs.)
Carpentry	Average per week	2066
Coconut fibre processing	Average per week	7
Vegetables/fruit business	Average per day	45
Kirana/cloth shop	Average per week	1517
Petty business	Average per day	85

When asked whether they were experiencing difficulties in getting the supply of raw materials, only 4 reported that they faced difficulties like irregular supply (coconut fibre and carpentry workers). Five out of the 13 beneficiaries reported giving credit to their customers. Six out of 13 (excluding rickshaw pullers) reported having their customers from the

same or neighbouring basthi, 3 from nearby places, 3 from scattered customers and 1 from far off place. The rickshaw pullers reported carrying on their work throughout the city. Three expressed difficulty in finding customers due to too much competition, too few customers or because customers are scattered.

When asked to summarise their difficulties (with possibility of more than one answer), the frequency distribution of responses was as follows:

List of difficulties	No.	%
1. Lack of capital to buy equipment/tools :	2	6.7
2. Lack of capital to buy materials/stock :	6	20.0
3. Difficulty of obtaining further loans/credit ... :	1	3.3
4. Difficulty of obtaining raw materials/stock ... :	4	13.3
5. Cost of raw materials/stock ... :	-	-
6. Too much competition ... :	1	3.3
7. Lack of space to expand business ... :	2	6.7
8. Profit margin too small ... :	7	23.3
9. Finding customers a problem ... :	2	6.7
10. Lack of necessary skills ... :	2	6.7
11. Others ... :	3	10.0
T o t a l ... :	30	100.0

V. CONCLUSIONS:

The survey is only a pilot enquiry and limited to a very small sample and the findings should be regarded as suggestive rather than conclusive. The following observations may be made from our limited data:

1. The loan scheme has benefitted persons from low income groups with no prior experience of loan taking. Many of the beneficiaries reported that the loan amount is inadequate.
2. Most of the beneficiaries have reported increase in personal income as well as household income as a result of the loan and consequent improvements in standards of living.
3. Most beneficiaries are not aware of the distinction between banks' contribution and margin money and are not aware that they have to repay the margin money to the SC/BC Corporations. This shows the need for a single agency for loan issue and collection. Why not make the SC/BC Corporations directly responsible for the loan programmes and leave out the banks?
4. The average duration for sanction of loan was four months. This had necessitated the beneficiaries to go to banks/UCD or SC/BC Corporations several times entailing loss of wages and transport costs. Efforts could be made to reduce the lead time for sanction of loans.
5. Most beneficiaries are either making repayment or making provisions for repayment. The loan recovery will be enhanced if the bank officials could visit the basthi and establish personal contacts with the beneficiaries.



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"FINANCING DEVELOPMENT PROGRAMMES FOR THE URBAN POOR"

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## FINANCING DEVELOPMENT PROGRAMMES FOR THE URBAN POOR

Abhijit Datta

Traditionally urban development has been conceived in self-financing terms in which the needs of the urban poor are sought to be met through the twin monopolistic instruments of product differentiation and price discrimination. Urban poverty is yet to be addressed in terms of personal consumption and income generation of the urban poor, as in the case of the anti-poverty programmes for rural development. There are signs of change in recent years with the launching of the environmental improvement programme (EIP) for urban slums since the Fifth Plan, and a bank loan scheme for self employment among the urban poor under the Seventh Plan.

The present paper examines the financial aspects of urban development relating to the urban poor from the twin angles of adequacy and effectiveness in terms of: (i) sources of finance, (ii) methods of finance, and (iii) financial control. The concluding section raises the general distribution concerns of basic entitlements to the poor.

### Sources of Finance

#### Plan Finance

There are two sources of Plan finance available for the urban poor: (i) slum improvement, under the national

minimum needs programme (MNP), and (ii) provision of environmental and social services under the state sector component of the secondary cities scheme (IDSMF).

MNP provides a few basic community facilities in the urban slum pockets within a current per capita cost ceiling of Rs 300 out of central assistance. The community facilities are to be upgraded in terms of certain guidelines. This is a central sector scheme, and although it is in operation since 1972 so far there has not been any systematic evaluation of its implementation except in terms of fund utilisation by the concerned states. From available evidence, however, some of its financial results may be indicated as follows:

- the states are reluctant to support it from their own resources,
- the available funds are spread too thin over a large number of towns to make any appreciable dent on slum improvement,
- the problem of financing the maintenance of the facilities created remains unsolved,
- there is no cost recovery requirement from the beneficiaries of the programme.

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1. India (Planning Commission), Shelter for the Urban Poor and Slum Improvement, New Delhi, 1983.



Under the centrally-sponsored IDSMT scheme, a 50% central subsidy is available for conversion of dry latrines into pour-flash latrines. All other services targetted towards the urban poor are to be met by the states under the state-sector component of the IDSMT. Actual experience indicates that due to inadequate budgetary allocation or delays in release of funds by the state governments, there has been tardy implementation of the state component of the IDSMT.<sup>2</sup> Additionally, the states have also not been able to take full advantage of the central subsidy for low-cost sanitation, due to their inability to meet the matching requirements either from their own budgetary sources or through beneficiary participation.

#### Institutional Finance

There are only a few national efforts of direct institutional finance of urban development for the poor. These are: (i) housing schemes for the economically weaker sections financed by the Housing and Urban Development Corporation (HUDCO), (ii) the differential rate of interest (DIR) scheme of the nationalised banks for scheduled castes/tribes and artisans, and (iii) the self-employment scheme for the urban poor launched by the nationalised banks recently. The eligibility requirements in all the three schemes vary in terms of income test and other pre-conditions. Of these three schemes,

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2. Ibid.

only the HUDCO scheme has had some impact so far. This is conceived within a composite sites and services scheme where at least 30% of its sanctioned loan to a housing agency is to be earmarked for the EWS within an overall cost ceiling of Rs 7000 per serviced plot, water closed and platforms. Another complementary HUDCO scheme of 'land bank' proposes to earmark 5% of the total layout area for the EWS to be plotted into 1000 sq.m. blocks with core facilities to be allocated to 20-25 EWS families with tenure rights. The basic idea in both these approaches is to encourage the EWS families to construct their houses incrementally.

#### Beneficiary Participation

Apart from the low-cost sanitation and sites and services schemes, the urban poor is being organised under the urban community development projects to supplement government efforts in environmental improvements, social services, and economic activities through the urban basic services (UBS) approach of the UNICEF. After the initial phase of experimentation, the UBS is sought to be integrated with on-going Planschemes of urban development in terms of their management and through cost-sharing. The financial additionality through its integration may thus be too meagre to produce a reorientation in existing financing arrangements of urban facilities and services for the poor.

#### Methods of Finance

There are three approaches towards financing of public services to the urban poor: (i) subsidised, (ii) partly-subsidised,

and (iii) fully-priced. We discuss these methods in terms of the development programmes for the urban poor.

(i) Full-subsidy: Apart from slum upgradation, squatter relocation has been fully subsidised. Social services to the urban poor, like elementary and primary education, maternal and child care, family planning, food supplementation and nutrition to school children, welfare measures for the destitutes etc. are examples of free service. In many cases, however, the subsidy is not always directed specifically to the deserving population group due to political, administrative, and technical reasons. In purely urban development programmes, the environmental improvement of slums has received the greatest impetus through public subsidy; in future workable methods of subsidising the personal social services would have to be devised so that the subsidy is directed only to a pre-determined target group. It is reasonable to assume that for some time to come only identified groups in specific locations or projects would benefit from fully-subsidised public programmes in the urban areas.

(ii) Partial subsidy:

Partial subsidy is assumed through below-cost delivery of urban services to the poor with a view to ensure beneficiary participation through service charges or to recover administrative cost of regulatory function through fees. Examples of such partial subsidy would be all merit goods covering personal social services and public goods for the

protection of environment, private property and public safety. While charges for merit goods are meant to recover partial cost of services from the beneficiaries, very often these are kept at a low level so that the distinction between service charges (for merit goods) and fees (for public goods) are not apparent in practice. However, under a two-part tariff it is possible to treat the low-priced service as a merit good and the full-priced service as a private good; usually the urban public utility services are financed in this fashion, like water supply, transport, electricity. Urban merit goods like milk supply, land and shelter are subjected to the twin mechanisms of product differentiation and multiple pricing.

Due to the complexity of designing an effective partial subsidy system and to make it work without undue leakage, the usual tendency is to subsidise all urban public and merit goods resulting in inefficiency (through high cost of administration) and waste (due to excess provision of services).

(iii) Cost Recovery: Pricing of urban services through full-cost pricing is possible in case of all private goods provided by the urban public authorities under various pricing strategies (flat, two-part or multiple). The idea is to recover the overall costs, if not aim at a profit, to augment services. For purely commercial services like city markets, hotels and other remunerative projects the principle of marginal cost pricing is appropriate; while for urban

utilities like water supply, transport, milk supply, and sales and services, the principle of average cost pricing is the preferred method. In practice, however, even purely commercial services are priced on the basis of average cost recovery.

Apart from direct cost recovery, the municipal governments tend to augment their tax revenue so as to meet the cost of subsidised (full or part) urban services. This is sometimes called indirect cost recovery. The idea is to balance the overall local government revenues and expenditures where there are imbalances in parts relating to specific functional areas such that the needs for grants are minimised. This is possible only if the constraints in local taxation are removed, local fiscal autonomy is ensured, and local management is efficient. On top of this, local investment for urban services are to be related to local revenue capabilities for maintenance of such assets. Splitting of these investment and maintenance responsibilities produce revenue imbalance or what is usually known as a revenue gap. In such a situation, the transfer arrangements for maintenance are to be institutionalised. This has been attempted in the Calcutta metropolitan area through a revised grants structure to the municipal bodies for maintenance of assets created through the metropolitan development authority.

### Financial Control

We have seen that even where there are prospects of cost recovery, either partly or fully, the urban authorities opt for the easier method of subsidised service provision. Partly this is due to bureaucratic orientation, but this is also ascribable to practical difficulties in testing affordability of the urban poor and effectively policing the utilisation of subsidy. Without adequate measures on these two fronts much of the application of financial instruments appropriate for various urban services targeted to the poor would remain on paper. We now turn our attention to these two issues in turn.

(i) Affordability test: In designing the affordability of the presumed beneficiaries it is important to observe the economic behaviour of the poor households in terms of their consumer preferences, income characteristics, household composition, and secular trend. Generally, affordability tests are not only presumptive, but also static. A realistic definition of affordability requires generation of relevant data on the economic status of the poor households so that appropriate target groups could be fixed for eligibility of subsidised services. This is needed in relation to individual services and total household budgets over time. Without such a relevant data base it would be difficult to sustain the presumed affordability parameters. Where it is difficult to undertake these exercises, the privatisation



option could be considered in respect of at least fully-priced urban services.

(ii) Policing of subsidy: Adequate policing of subsidised services is needed to prevent leakage of benefits to the non-eligible groups of the urban population. This is done through a variety of means like issuance of identity cards, channelling subsidised services through local voluntary agencies, reducing the standard of service to the minimum etc. Even so, public authorities are constantly under pressure from powerful social groups to be liberal on this score leading to blatant forms of leakage of all subsidised goods. Examples of outright grab or buying of subsidised goods by the rich, arranging loan fails to corner institutional finance by the ineligible beneficiaries are too common to cast doubts about the efficacy of any public subsidy approach, especially in a country where public administration is prone to corruption and inefficiency. There is also the question of cost of policing vis-a-vis the amount of subsidy to be guarded; it may not be worthwhile to arrange for policing if it costs more than the subsidy itself. Here additional efforts and innovations are needed to apply correctives at the point of initial distribution so as to make further monitoring of use unnecessary. However, there are technological limits to such innovations and ultimately a cost-effective solution to the policing problem may lie in moving away from a

subsidised service system to an income guarantee system of poverty alleviation.

### Conclusion

We have seen that a poverty-orientation to urban development and urban service provision raises almost intractable problems of their design, delivery, monitoring, and control. This is a built-in problem in administering public subsidy. Leakage of subsidised urban services meant for the poor may be controlled to an extent, but cannot be wholly eliminated in free societies. Therefore, the strategy may be to limit the quantum and range of subsidised urban services. At the same time, alternatives in terms of privatisation of urban services could be considered, along with new public initiatives in ensuring a minimum degree of employment and a minimum level of income to the urbanites could be attempted. In rural anti-poverty programmes, schemes on employment guarantee, self-employment, and destitute pension are becoming successful wherever these are being initiated. It is time that such efforts are also made for the urban population as well. Over time it is expected that there will be a uniform approach towards poverty-removal for the urban and rural areas and the present divergent attitudes to the poor in terms of their location will disappear.

NATIONAL SEMINAR

ON

DEVELOPMENT PROGRAMMES FOR THE URBAN POOR  
(February 2-3, 1987)

FINANCING OF SERVICES FOR THE  
URBAN POOR

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## FINANCING OF SERVICES FOR THE URBAN POOR

Gangadhar Jha

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Provision of basic services for the urban poor is increasingly becoming a major concern of public policy in the Third World Countries for two reasons. First, urban poor constitute a substantial proportion of the total urban population. Second, they have a very low affordability which creates problems for financing of services. Indian urban development scene is not an exception to this. A major proportion of addition to urban population in each year consists of rural migrants who belong to subsistence and even below subsistence level. The process of urbanisation therefore simply converts rural poverty into urban. Nevertheless, they have to be provided with basic urban services which requires substantial capital investment. Financing of these services, however, becomes difficult due to constraints on the availability of funds. Requirement of funds for other more pressing priority sectors and the sheer number of urban poor as well as their low paying capacity does not permit the allocation of funds on a large scale for urban development.

Most of the urban services being in the nature of merit goods, have to be provided by planned public intervention. This calls for devising ways and means of mobilising

the required financial resources and also the modalities for recouping the amount invested from the beneficiaries. This raises the issues of efficiency and equity. Criteria of economic efficiency requires financing of services through cost recovery according to marginal cost pricing. The low income level of urban poor, however, militates against this and calls for the provision of subsidized services for ensuring distributive justice. Financing of services for the urban poor thus gets complicated.

The paper first examines, at the conceptual plane, the alternative ways of financing services for the urban poor. Subsequently, after examining the existing practices in financing of services, it raises some of the leading issues involved in financing of services for the urban poor. Data on the number and the extent of income level of urban poor, the extent of subsidy and cost recovery in different services would have enabled a much more objective analysis of practices in financing of services as also the issues involved in it. The constraints on the availability of data, however, do not permit this. The analysis is therefore based on the limited knowledge and information available on the existing practices and situations.

#### Financing of Services: Devices and Practices

Provision of services for the urban poor could be financed either on the basis of cost recovery or subsidy. Cost recovery, in order to be successful, requires a fairly



good level of income which could enable the beneficiaries to pay for the services provided to them. Conceptually, therefore, there are three ways of financing services for the urban poor. They are (1) Enhancing the productivity of cities, (2) Cost Recovery, and (3) Subsidy.

(1) Enhancing Productivity of Cities

Fundamental to the financing of services for the urban poor is to enhance the income levels of the urban poor so that they could be in a position to afford the services provided to them. It is because of this reason that enhancing the productivity of cities is suggested as the primary objective of urban development.<sup>1</sup> Increased productivity would result in increased personal income of the city dwellers and hence also of the urban poor. This would make the urban development projects self-financing propositions because cost recovery—both direct and indirect—would be easier thus avoiding the need for subsidy. It, however, needs to be stressed that this has to be strived in the rural areas also. Enhancement of productivity in urban settlements alone would accelerate the rate of rural migration. Hence it requires a policy of improving the income levels in rural areas as well. But this happens to be a solution in the long run only.

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1. Warren C. Baum and Stokes M. Tolbert, Investing in Development - Lessons of World Bank Experience, Oxford University Press for the World Bank, 1985, P. 28,

(2) Cost Recovery

Cost recovery is the other more effective short run policy for financing of services for the urban poor. The entire financial investment together with operation and maintenance expenditure is recouped from the beneficiaries so that there is no financial strain on the public exchequer. Cost recovery may be direct or indirect. Modalities of direct cost recovery vary from project to project depending on the nature of project. In urban utilities like water, sewerage, transport, electricity and other services like solid waste disposal, it is recovered according to the criteria of economic efficiency which requires to relate the tariff to the marginal cost of providing it. User Charges are devised accordingly for recovering the cost from the service beneficiaries. Indirect cost recovery is resorted to through a mix of taxation and user charges at the city level. Proceeds from taxes of diverse type, user charges and fees are used for financing of services at the city level.

Cost recovery - both direct and indirect - is inevitably related to income level. Beneficiaries of the service should have the affordability to pay for it. Employment and income generation is therefore an important precondition for making the cost recovery feasible. Besides increase in income, it is also essential that the distribution of income is not

highly skewed so that even the lowest income bracket could have the capacity to pay for the services. If cost recovery is resorted to without these too preconditions, it would result in a highly inequitable situation. A very large section of urban population would then be deprived of basic urban services.

### (3) Subsidy

In a situation where urban poverty is rampant and there exists a highly skewed distribution of income, subsidy is the only way of financing services for the urban poor. Services are provided to the poor either free or by charging below the cost of providing the service. It then becomes an effective instrument of poverty alleviation. It is through the provision of services like shelter, transportation, infrastructure, health and education that incidence of poverty is reduced.<sup>2</sup> Provision of these services either free or on the basis of subsidy increases the real income of the poor. This particular method of financing provision of services, however, tells upon the availability of financial resources. As the cost of providing the services is not recovered, ways and means have to be devised for mobilising the financial resources needed for capital investment as well as operation and maintenance expenditure. The problem is complicated by the need for financial allocation for other priority areas which makes the allocation for urban development to take a back seat.

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2. . Johannes F. Linn, Policies for Efficient and Equitable Growth of Cities in Developing Countries, World Bank Staff Working Paper No. 342, 1979, P. 141.

This coupled with the consideration of equity requires to finance the services for the urban poor on the basis of cross-subsidy. This is done by adopting a discriminating pricing policy for urban services. Like a discriminating monopolist, the local authorities charge higher tariff from the high income group the proceeds of which go to replenish the loss on service provision arising out of a low tariff charged from the urban poor. In other words, the proceeds go to give subsidy to the low income group. Indirect cost recovery is also adhered to by devising a discriminating tax rate for different income groups. It has been found that even the urban poor pay taxes, especially the indirect taxes, to the extent of 8 to 12 percent of their income.<sup>3</sup> Considerations of distributive justice therefore dictates to reduce the regressivity and enhance the progressivity of the tax system. Financing of services on the basis of subsidy, however, requires to identify the target group for ensuring the accessibility of services to those who really need it.

It should be obvious from the above that the three ways of financing services are related with each other. Cost recovery, in order to be feasible, is related to the income levels. If urban development has to be self-financing, ways and means have to be found for improving the levels of income and its equitable distribution across the cities and towns. Likewise, providing services to the poor at subsidized rate

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3. Johannes Linn, Op. cit., P. 141

requires to adopt innovative cost recovery techniques based on progressive user charges and tax rates such that it is able to recover higher amount from the economically better off groups for providing subsidy to the economically weaker sections. Financing of services for the urban poor therefore requires to have a combination of all the three financing methods.

#### Financing of Services: The Existing Practices

It would be worth while looking at the way services for the urban poor are actually financed in India. If we relate the three ways of financing of services discussed in the preceding section to the Indian situation, there does not exist any formal and conscious policy for generation of employment and income in the cities and towns. This is done through licensing of new industries and other fiscal incentives designed to promote decentralisation of industries away from the metropolitan cities.<sup>4</sup> This has at most been a qualified success. There is no evidence to suggest that this had led to enhancement of productivity in urban settlements.<sup>5</sup> Moreover, a negative policy stance meant for curbing the growth of metropolitan

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4. India (Planning Commission), Task Forces on Housing and Urban Development, I - Planning of Urban Development (Mimeo), 1983, Pp. 16-17.

5. Uday Sekhar, Industrial Location Policy, The Indian Experience (Mimeo), World Bank, 1982.



cities seems to be in contravention of policies for increasing the employment and income especially of the urban poor.

Second, the existing urban planning is preoccupied with urban design, city form and land use. Generation of employment and income does not happen to be within its ambit. The static and rigid framework of the Master Plan does not enable the cities to cope up with the dynamic forces generated by urbanisation and urban growth. Moreover, even this type of Master Planning has been extended to only a few cities. Out of more than 1000 Master Plans prepared in the wake of centrally sponsored scheme for formulation of Master Plans in the Third Five Year Plan, less than a dozen of them could actually see the light of the day. Even the programme for Integrated Development of Small and Medium Towns launched in the Sixth Five Year Plan, instead of becoming an effective strategy for strengthening the economic base of secondary cities, happens to be cosmetic in its nature and content.

In sum, hardly anything substantial has been done to improve the productivity of cities and towns. Even if it has been done in a few selected cities, its concern with enhancement of income has been only indirect and has not made much dent on the problem. A large number of cities and towns have been consequently growing rather autonomously. Affordability of a very large section of urban population is therefore low.



### Experience of Cost Recovery

Cost recovery has been a major plank of public policy for financing of services for the urban poor. Compelling reasons for this is the need to allocate the limited financial resources to the other priority sectors. Due to this reason, the plan allocation to urban development sector has declined since the Third Five Year Plan. It has declined from about 14 percent in the Third Plan to 7.66 percent in the Fourth Plan, 3.5 percent in the Fifth Plan and 2.2 percent in the Sixth Plan. It has increased marginally to about 4 percent in the Seventh Plan. The existing philosophy for financing of urban development therefore is that of cost recovery. In recent past, the World Bank lending for urban development has further bolstered this philosophy because the World Bank insists on ensuring the recovery of financial investment from the beneficiaries through increasing use of user charges and rationalisation of pricing policy. Policy for urban land has been greatly influenced by the Delhi model of using land as the resource in urban development. As a consequence, a large number of urban Development Authorities-about 100 in number have appeared on the urban scene as "new and innovative" style of urban organisation having the mandate to formulate and implement "Master Plans" using land as the resource and revolving the seed capital.

Cost recovery in urban development project has been tried in a variety of ways. In the sphere of public utilities, user charges have been devised on the basis of discriminating pricing policies related to the level of consumption with an element of progression of the tariffs for higher levels of consumption. However, this has been used only by a few public utility undertakings in the metropolitan cities. In the secondary cities the pricing of public utilities is still based on the rule of thumb rather than on any rational basis. In urban transportation, attempts have been made to charge differential tariff. Plying of point to point bus service in Delhi during peak hours with a flat rate along with the general buses with lower graduated tariff and also the practice of issuing monthly pass to the people residing in the relocation colonies at reduced price are the examples of differential pricing. In slum upgradation and sites and services programme, cost recovery has been tried by relating price with the cost of providing the sites and services. Recently, the World Bank has advised the Calcutta Metropolitan Development Authority to extend the charging of fee even to health services.

Despite these, the experience of cost recovery has not been encouraging. Urban public utilities, by and large, are still running in the red. The best administered Municipal Corporation of Greater Bombay's Bombay Electric Supply and Transport meets the deficits on its transport account from the surplus in its electricity account. In the sites and services

project in Delhi, which has so far relocated about a million people in 45 relocation colonies without charging anything from them, it has not been possible to collect even a nominal licence fee of Rs. 8 per month from the beneficiaries. In Calcutta, despite World Bank's insistence, it has not been possible to recover the cost in Bustee Improvement Programme.<sup>5</sup> In Madras, however, cost recovery has proved to be a qualified success in the sites and services project. In the sphere of slum improvement there has been again problems in recovering the cost.<sup>6</sup> Experience with allotment of land suggests that high cost of land development has not permitted the low income groups and the economically weaker sections (EWS) to afford it if the premium has been based on full cost recovery. In the Delhi model of land development, there was no any room for financing the allotment of land to the EWS out of the Revolving Fund. Relocation of squatters on a massive scale was financed by a very liberal plan grant from the Planning Commission.

Reasons for the problems in cost recovery are not far to seek. The most conspicuous reason happens to be a legacy

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5. M.S. Maitra, "An Overview on Shelter", paper presented at the Seminar on Calcutta's Basic Development Plan: In Retrospect, organised by the CMDA and the NIUA, Calcutta, December 15-19, 1986.

6. On the basis of discussion with the MMDA official.

continuing from the past by providing every thing to the poor without charging any thing from them. This has created an impression over the years that it is obligatory on part of the public agencies to provide the services as they have traditionally been provided. A shift from subsidy to cost recovery creates stiff resistance which is profitably exploited by the politicians. Second, a large number of public utility undertakings have not yet cared to relate user charges with marginal cost of supplying the services. Third, the norms and standards for urban services are generally such that it is not within the affordable limit of the poor.

#### Status of Subsidy

Services for the urban poor by and large, are being provided on the basis of subsidy only. Basic assumption for giving subsidy is that the subsistence level of living of the urban poor does not enable them to pay for the services provided to them. Some of the services are provided even free of cost or by scaling down the norms and standards for services. Paving of streets, street lighting, water supply through indigenous hand pumps or even free public standposts in slum areas are examples of free provision of public services. The massive relocation of squatters in Delhi has been done without charging anything from them. Some services have been financed on the basis of cross-subsidy also. Shelter, housing for the EWS, water supply, sanitation etc. in some of the states are financed on the basis of discriminating pricing policy.

In a welfare state like India, there is nothing wrong in providing services to the poor at subsidized rate or even free of cost. The problem, however, crops up when the subsidy, instead of going to the needy, leaks out to the wealthier groups.

### Issues in Financing of Services for the Poor

The analysis of the existing practices for financing of services to the urban poor in the preceding sections give rise to the questions related to economic efficiency and distributive justice. Financing of services for the urban poor therefore involves certain issues which need to be resolved. Some of the issues are related to the macro policy of improving the income levels in the cities and towns; others are germane to the finding of ways and means of cost recovery in urban development projects. Some of the leading issues are discussed below:

#### (1) Improving the Income Level

Basic to the provision of services and its financing is the income levels of the target groups. All the taxes, fees or charges are paid out of personal income. Presently, the public policy seems to be preoccupied with improving the real income through provision of subsidized services only. This calls for reformulation of urban development objective. The existing concern of urban planning with city form, urban design and land use has to give way to strategies for employment and income generation. The blueprint for urban development has

therefore to enable the cities in exploiting the comparative advantages enjoyed by it. Appropriate strategy has to be adopted at the city level for improving and enhancing the productivity of the city in general and of the squatters and slum dwellers in particular. The Calcutta Basic Development Plan, despite its pronounced economic development approach for the rejuvenation of the Calcutta Metropolitan District and its Busties, could not be implemented according to its letter and spirit for improving income levels of the Bustee dwellers. It is therefore absolutely essential to devise and implement strategies for income generation. An improved income level would make the cost recovery feasible.

(2) Rationalisation of Fiscal Devices

Provision of services and its effective operation and maintenance depends upon the local resource base and the extent to which it is exploited. The existing tax system, user charges as also the fiscal transfers are chaotic. Legal provisions and administrative systems have made the local tax inelastic and regressive.<sup>6</sup> User charges for urban public utilities are such that the utility undertakings are running in losses.<sup>7</sup> This amounts to providing subsidized services even to the higher income groups. Fiscal transfers are not based on needs,

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6. see, India (Planning Commission), Task Forces on Housing and Urban Development, II- Financing of Urban Development (mimeo), New Delhi. 1983.

7. Warren C. Baum and Stokes M. Tolbert, Op.cit., Pp. 39-40



resources and performance. Local finance therefore needs to be strengthened by rationalising the resources of revenue, tax structure, user charges and transfers. If the concern for distributive justice dictates to provide subsidized services to the urban poor, it has to be financed on the basis of cross subsidy. If the services have to be provided free or by giving substantial subsidy, this has to be financed by specific grant from the state and central governments because it forms part of the national objective of eradication of poverty.

(3) Relating Services with the Target Group

Presently urban services are being provided at subsidized rate even to the higher income groups. There are basically two reasons for this. First, the higher income groups are articulate resourceful and have superior political influence. They have capabilities to grab the subsidized services. Second, provision of public service is not based on identification of the target group. There is complete dearth of data on distribution of population according to various income groups either at the national level or at the city level. Services to the poor are therefore provided without having identified those who really need it. Services have therefore to be provided after identifying the target group on the basis of income.

(4) Making the Poor Pay for Services

The general assumption that urban poor have a very low affordability may not always hold good. A recent National Sample Survey reveals that urban poor is better off than its counter part in rural areas.<sup>8</sup> Despite a low level of income the urban poor in India pay taxes to the extent of 12 percent of their income.<sup>9</sup> This suggest that they have the economic capacity to pay if the provision of services is properly designed, administered and priced. Some of the ways of doing this<sup>is</sup> discussed below:

( ) ( )

(a) Norms and Standards of Services:

The first important step towards making the urban poor pay for services is proper design and norms and standards for services. High cost solution has to give way to low cost solutions by using appropriate technology and design standard. Low cost solutions to sanitation, water supply, energy needs are now available and need to be used for the benefit of the poor. Shelter and low cost houses have to be made available by using indigenous construction material. In order to achieve

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8. India (Planning Commission), Sixth Five Year Plan - 1980-85, P. 51.

9. Charles E. McLure Jr., Taxation and the Urban Poor in Developing Countries, World Bank Staff Working Paper No. 222, 1975, P.11

a high degree of cost recovery, urban projects must be designed and implemented in ~~such~~ a manner as to keep them affordable for the target population.

(b) Integrated Provision of Services: An integrated provision of services is required because there exist complementarities and linkages between shelter, transportation, infrastructure and social services. If planned and provided together, it would provide an impetus for the urban poor to pay for it. Compliance to the payment for services provided is adversely affected if all the needed services are not provided adequately.

(c) People's Participation: People's participation at all stages of project design and implementation is conducive to cost recovery after the projects are completed. Participation links the community emotionally with projects and convinces it that the project has been conceived for the benefit of the community. It therefore imparts a sense of responsibility which increases the scope for cost recovery. Participation in project design and implementation has positively affected cost recovery in urban projects in some of the developing countries.<sup>10</sup> An effective participation may even ensure maintenance of services by the beneficiaries themselves. A cluster of houses around a public stand pipe and street light, for example, could be associated with its maintenance and upkeep. They may ungrudgingly take upon themselves to keep it in serviceable condition.

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10. Warren C. Baum and Stokes M. Tolbert, Op.cit., P. 293

(4) Gradual Discontinuing of Free Services: The existing practice of providing services especially the shelter and house sites without charging anything for it needs to be gradually discontinued. This prolonged practice has provided legitimacy to it and any departure from it receives widespread condemnation. Therefore, to the extent possible, the services to the poor should generally be provided on the basis of payment, even a nominal payment. This would make the beneficiary responsible and also responsive.

### C O N C L U S I O N

Urbanisation in India is gathering momentum. In years to come the urban population is expected to increase manifold. By end of this century, India is expected to have an urban population of about 315 million. A major proportion of this would consist of economically weaker sections of the society. Out of the net addition to urban population till the year 2001 AD, about 50 million is expected to belong to an income group which would be looking for subsidized provision of services if the steps are not taken to enhance the productivity of urban settlements. Prospects for financing of services for them is related to enhancing of their economic capabilities so that they could afford and hence pay for the services provided. It is therefore necessary to reformulate the

objectives of urban development, strategies, fiscal instruments and organisational frame. Solution to the problem of financing of services lies in employment and income generation, rationalisation of tax structure, user charges at the local level and fiscal transfers from the higher levels of government. Urban poor being relatively better off than the rural poor, their economic potentialities have to be used by devising innovative methods of cost recovery. The target groups for provision of subsidized services have to be properly identified and the subsidy has to be financed out of fiscal transfers as it forms part of the national objective of eradication of poverty.





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" ROLE OF NON GOVERNMENTAL ORGANISATIONS  
IN THE DEVELOPMENT OF URBAN POOR"

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# ROLE OF NON GOVERNMENTAL ORGANISATION IN THE DEVELOPMENT OF URBAN POOR\*

INDUREKHA G. PRAKASH

## INTRODUCTION

In this paper it has been proposed that development all over the world has lead to heavy industrialization, which in turn created complexities, one of them being urban poverty. The paper highlights the condition of Indian's urban poor and describes the pattern of their migration and employment. The problems regarding their housing and infrastructural amenities and the urban poor's socio psychic profile have been briefly outlined so as to have a more comprehensive profile of the urban poor.

Towards the end, the suitable welfare measures for the urban poor have been discussed with a focus on the role of non-government organisations. It is felt that their involvement at the grassroot level, can effectively give the urban poor a sense of identity, some social services and a social diversion necessary for the progress-ive upliftment of the urban poor.

The urban poor are a conspicuous lot in the developing countries of the world. In the West development has essentially meant a process of industrialisation leading to economic growth. Urbanisation has been a by product of this development. The majority of the population of the developed nations identifies itself with the development and consequent urbanization. Over there industrialization initially brought with it the ugly factor of poverty, but over a period of time the urban poor got absorbed in the countrys growing economic system at a level far better off than before.

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However, in India, like in other developing countries, the majority of population still lives in rural areas. India's race for development has necessitated a policy of heavy industrialisation. This has resulted in the mushrooming of urban areas; and has given rise to a number of complexities. The urban planners, policy makers and the development planners are trying to grapple with the problem of ever increasing number of urban poor.

According to a UN study estimate about nine million men, women and children live in slum, they clarify three/ fourths of our metropolitan cities as slum. Even though the aim of urbanization is planned development by providing better employment opportunities, facilities and services, the planned approach has failed in mitigating the problems and needs of the urban poor. Slums, decaying tenements, and the squatters' hutments are 'the most pervasive symbols of urban poverty'. Though poverty has been acknowledged as being a relative phenomenon even then it is by and large true to say that all those in slums are poor. However, there are a significant number of other who, are even below the living standards of slums e.g. foot path dwellers, and millions of rural folk who are unable to even reach urban centres etc.

#### A PERSPECTIVE ON THE URBAN POOR

A brief analysis of the urban poor would help in understanding about who they are and the factors which create urban poverty. Without answering some of these questions we cannot identify the areas where help can be provided, and who can possibly provide it.

The urban poor are migrants from rural areas. The major reason for their migration is economic. Being illiterate, and without specific skills, most of the urban poor are caught in

the informal sector for employment which is characterised by low wages among other things. Their housing reveals the ugly manifestation of poverty- slums without sanitation, water, nutrition etc. The Five Year Plans have allocated a large amount of resources and have envisaged projects to provide the basic facilities and employment for the urban poor. But the results have not been so encouraging. One of the reasons is that the government has not been able to take into account the social ecology of the urban poor. Consequently these facilities and opportunities have not been utilized in the best possible manner. It is perhaps in this context that the non-governmental organisations (NGOs) can play an effective role for the urban poor, which is the focus of this paper. However before we do so, we provide a brief description about the urban poor.

MIGRATION- Urbanization has attracted millions of people who migrate from rural to small towns and the cities. This has resulted in the growth of urban centres. The primary reason for rural-urban migration is economic. The majority of the migrants belong to rural poor, socially weaker sections like scheduled castes and minorities. These rural migrants are largely unskilled and illiterate. They undertake poorly paid jobs and invariably find themselves pushed into slums or squatter settlements of cities living in extremely unhygienic conditions and lead a life of perpetual agony and misery. Though the migrants are known to maintain some kind of linkages with their families in the rural areas, most of them are uprooted from their social moorings and get alienated in the process of urbanisation. This is particularly true for the second generation urban dwellers.

EMPLOYMENT - As has been said earlier economic necessity leads the migrants to urban areas in search of employment. The nature of employment of urban poor could be broadly classified into three kinds:-

- a) Those who are wage employed and can be further subdivided into organised and unorganised sector.
- b) The self-employed who manage their own undertakings.
- c) Unpaid workers who are engaged in the business of their own families and friends and are presumably learning on the job.

Most of the urban poor are fully engaged in the market system as wage labourers, as self-employed entrepreneurs, as unpaid workers (family business). However not withstanding these job specific variations according to one estimate 'nearly two-thirds of them are earning incomes which are below the poverty line'.

The self-employed workers are petty, small shop-keepers who eke out their livelihood by selling items of daily necessities. The small informal undertakings in which the poor are employed have often very little capital and are more fiercely competitive. In Delhi squatter settlements (TCPO 1975 study) it was found that over 80% of the heads of households were involved in unskilled jobs in construction, manual and industrial labour. In spite of this dismal picture of the magnitude of urban poverty, the migrants in the squatter settlements of metropolitan cities were of the view that their standard of living had improved when compared to their situation in the rural areas. However individually they may be earning more but on the whole they are really worse off in terms of environment conditions and basic amenities.

Because both men and women migrants in the squatter settlements are previously employed in occupations which are held in low esteem and poorly paid, they provide a wide range of services which would not be there without them. These jobs are 'essential



for the efficient functioning of the urban economy at its present stage of development and the use of technology. They can only be replaced at enormous additional cost to the city's economy.

(Mazumdar 1977-224)

HOUSING - The acute shortage of housing for the urban poor in particular is reflected in the sprawling of slums. In general for the urban poor the precise size of magnitude of poor housing varies from city to city it is generally believed that cities with a population of 1 lakh and more have about 55 per cent of the households living in one room tenements. The housing condition in metropolitan cities with population of more than a million is indeed worse than this.

This central and state governments have launched low cost housing projects for the urban poor but the rate of growth of population is increasing at faster rate and therefore the gap continues to persist. Several local governments have been forced to clear the cities by removing such encroachments. The slum clearance projects are essentially involved in shifting the urban poor from their habitats to cities where houses are specially constructed for them. This shifting dislocates the urban poor from their very place of work.- the factor which is primarily responsible for their being in the city in the first instance. It upsets literally their hard earned livelihood, what to say of their personal values and priorities. The fact that these imposed projects provide them security of tenure to the land or not is obviously secondary and immaterial. Ironically it only helps them in selling the plot and undertaking reoccupation.

Beside housing, the urban poor also suffer from deficient services like water and sanitation. The shortage of water in urban areas in general and slums in particular creates serious problems. It makes them vulnerable to several diseases which are responsible for health as well as economic losses. Women in particular have to spend better part of their day in fetching water.

However it is the lack of sanitation facilities that literally renders these houses (environment) into a cess pool. These two conditions combined with the fact of congestion are responsible for extremely adverse environmental conditions in which the urban poor reside. These conditions contribute in communicating diseases not only among the urban poor but among the urban dwellers in general. :

Majority of the urban poor are illiterate, those with some education tend to work more in those work organisations where the work situation is seemingly more stable. Children in school have a high drop-out rate and there is no motivation towards education either.

#### SOCIAL PSYCHIC PROFILE

The social psychic profile of an urban poor needs better understanding. Most of the urban poor depend upon mutual religious, caste and regional affinities. They form a close group by themselves and live on the margin of society. The urban poor in a sense is an alienated group and suffers from severe identity crisis. This is ironical that inspite of being in large numbers and being a part and parcel of metropolitan cities the urban poor are social psychologically a 'floating' population. Having come from rural areas and inspite of living in the urban cities for decades the poor have no social security of any kind.

Under such conditions they fall an easy prey to different vices of urban life. They quite often blow up their hard earned money in extravaganza. Their craving for quick money makes them vulnerable to unscrupulous local chieftans or under world lords. They are even part of law and order problems. Every breakdown potentially gives them a chance to get back at the society.

### INAVITABLE RESULTS OF URBANISATION

- No vertical mobility for the urban poor vis-a-vis rest of the urban society and economic system.
- Sense of alienation and identity crisis.
- The urban poor continue to remain a part and parcel of cities and yet remain a marginal population.
- The urban economy depends upon urban poor and uses them their gains without compensating them sufficiently.
- Any kind of tension and threat in urban areas tantamounts to law and order problem due to the presence of urban poor in large numbers.
- The particular, constitute the most vulnerable groups due to poverty, malnutrition; and lack of basic infrastructural facilities.

### ROLE OF NON GOVERNMENT ORGANISATIONS

The social organisation may be divided into a public and a voluntary organisation, in between these two categories there is a large grey area of voluntary agencies financed in varying degrees by public funds.

However in India all kinds of voluntary organisations, are grouped under the term NGO. These NGO's concern themselves generally with a varied number of fields for developmental work. Some are conceived as research and academic based projects, developmental work at the rural base involving extension and training, forming cooperatives and field work, or address themselves to specific sections of society like youth, women and children's organisations.

It is being gradually realised that there is a need to take the people at the grassroot into confidence so that people themselves could engage in developmental/welfare activities. The voluntary institution at the local level are visualised as the ideal agencies for bringing about 'a people's programme with government participation!'

The NGOs being a flexible, committed, idealistic lot without the burden of theory and prescript their activities direct for their communities. The approach is by a high sense of volunteerism, community participation, action research and establishing self help projects etc.

If as predicted the urban population by the year 2000 increases to 33% of the total population the provision for urban amenities has to be made at the large scale. This would ensure that such a growth does not lead to explosion in the number of urban poor. However, it may be argued that even if the government invests large resources and provide infrastructural facilities it may not be able to ensure equational utilization of these amenities. The urban poor may still continue to live in sub human condition. It is in this context that the NGOs have a real and meaningful role to play for carrying the amenities to the urban poor. In This sense the NGO's may therefore have significant supplementary role with the government.

These local organisations and agencies are aware of their needs and problems. They can utilize the cooperation of people living in the neighbourhood and help raise the standard of living and also carryout constructive development programmes successfully.

By the very nature of NGO's their role in development for the urban poor is limited and yet of extreme potential value. Limited because they cannot possibly provide the urban poor with infrastructural facilities like residential plots, means of energy/power, transport, water and sewerage facilities. But the NGO's can help in improving the access of the urban poor to these facilities and bring about progressive changes. More importantly the NGO's can improve the closed and marginal status of the urban poor in the urban society and this can be substantially improved with the help of NGO's.

NGO's could help the urban poor derive the most from their environment, for example they could organise awareness programmes about the condition of urban poor and the means to alleviate it. They could make the urban poor aware of their rights. There have been a number of documentaries and commercial films which have depicted poverty condition. NGO's could use these for this purpose. It may be possible to create some empathetic awareness amongst the citizens for promotion of welfare.

Unless the poor have an identity as a part and parcel of urban set up and are able to realise the worth of their contribution in the urban economy, their segregation and alienation will persist. The NGOs could help establish a social security system by bringing the urban poor together and by having their participation for improving their own conditions. The NGO's cannot possibly afford to work as an outside force for such programmes. They have to work from within.

Even within the NGOs, there is usually a debate about the relative effectiveness of a trained professional social worker versus the committed voluntary worker both of them have their separate role. Whereas the trained professional worker can be very useful and efficient in collecting, and analysing data and comprehending the conditions they usually tend to prefer to work in larger NGOs and stay away from field conditions. As compared to



this volunteers get seeped into the field and are earnest about their efforts, quite often it may take a long time for them to know what could have been learnt easily in a short time. Ideally, both of these kind of 'change - agents' are required.

SOCIAL SERVICES- Welfare programmes can be undertaken by providing essential basic amenities like water, sanitation improving the environmental condition nutrition etc. by approaching the concerned authorities in an organised manner.

Health education camps, ENT camps, family counselling, family planning are areas which need action from the voluntary sector in a major way. Spread of civic education and adult literacy projects would certainly stall the drop out rate of slum dwellers.

The deficient provision of social services run into the realm of education also. Whatever educational facilities exist are inadequate, ill equipped, and crowded. The fact that pupils come from those households where parents have no or little education, there are severe economic crisis at home, they have to perform several domestic chores and undertake baby sitting of siblings does not constitute appropriate environment and motivation for them to attend schools. These schools usually have a very high dropout rate and end up as 'failures'.

The NGO's could consider providing some means of social diversion for the urban poor. It would give them a sense of identity and a sense of belonging to some organisation. This would keep them away from vices like gambling and dacoity or other unsocial activities while being a source of healthy entertainment and recreation. Even simple and unexpensive provisions like carrom board, chess board, cards etc. community T.V. could become the rallying point for the neighbourhood youth Club etc.



ECONOMIC WELFARE- It may also be considered to hold education and skill inculcating training programmes. These would increase the employment ability of the urban poor and improve their earnings; The NGO's can play the facilitators role by providing the urban poor information regarding, credit loan, banking system and technology. This would immensely improve their knowledge base and ability to undertake self-employment. The Lijjat Papad, the women's cooperative banks and the Lunch Pack Dabba system of Bombay are unique examples where the urban poor have successfully exploited the know how made available to them.

### CONCLUSION

Thus, there are some of the possible areas where non-governmental agencies can effectively help in mitigating socio-economic problems of the urban poor. Indeed the NGO's role vis-a-vis urban poor is vital and helpful for the urban planners - whether from the corporate, government or the private sector. It is vital because the NGO's are more directly involved with the people at the grassroots. NGO's can be most helpful as are catalysts in initiating the urban poor in bringing about better living condition for themselves. The significance of the NGO's role for development is captured in the following quote'.

"What is new in the renewed and much more vigorous emphasis on the role of the NGO's in the development process is the emerging view in global corporate sectors, shared in large measure by Mr. Rajiv Gandhi's government and its new-look coteries, according to which the NGO's along with the private sector, provide the new frontier of a dynamic technological integration of the world economy".  
(Rajani Kothari).

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NATIONAL SEMINAR  
ON  
DEVELOPMENT PROGRAMME IN URBAN POOR  
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VOLUNTARY ORGANIZATIONS AND  
THE URBAN POOR

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## VOLUNTARY ORGANISATIONS AND THE URBAN POOR

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Urbanization is a striking feature of the present and future of the country. India is becoming more and more urbanized on account of speedy growth of population in cities. This is due to 'pull' and 'push' factors. The 'pull' factor promises better socio-economic opportunities in the cities and attracts people from countryside to towns and the push factor is due to inadequate social services, little money and unemployment on account of mechanism of agriculture in rural areas. This has resulted in the migration to the city centres in a large magnitude thus, creating slums,<sup>1</sup> chails, bastis katras, and other related urban problems because the urban centres are not geared to bear this blunt of migration.

Broadly speaking, there are two important Government systems: one is the policy-making system which include the parliament and the elected representatives and the other the executives who translate the policies into practices. The third important sector is constituted by voluntary organisations which <sup>also</sup> are/ important like other <sup>at</sup> two systems. The present paper is aimed/ to discuss

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the perspective role of the voluntary organisations in the development programmes for the urban poor.

India has glorious tradition of social service. Indian culture enjoins the individual to be cheairtable ~~also~~. Inspired by the high social tradition and ideals most of the glorious works have been done by the voluntary organisations. This service tradition has also been imbibed in our religious preachings. There were social reforms movements in the past undertaken to eradicate social evils from the society<sup>2</sup> and forced the law makers to act accordingly. The social reformists like Raja Ram Mohan Roy, Dayananda Sarswati, Ishwar Chandra Vidya Sagar, Keshab Ghandra Sen fought for the eradication of social evils like, child marriage, sati pratha, Pardah system and so on. The Christian missionaries gave a lead to the voluntary social work and established institutions to help the downt-rodden sections of the society. The Gandhian social reformist on the one hand, carried the development with self help slogan and on the other, helped in the freedom struggle of India.



Indian government after attaining the freedom attempted to give social and economic contents to the political freedom which reflected in the Constitution of India adopted in 1950. The efforts to shape the socio-economic aspirations of the people were expressed in the Directive Principles of State Policy.

In the planning process, the importance of the voluntary sector was realised and on the recommendations of the Planning Commission the Central Social Welfare Board was established in 1953 during the First Plan period under the Ministry of Social Welfare with their counterparts at the state levels. The Central Board and the State Boards are headed by non-officials who are known for their social service. Broadly speaking, the CSWB and their counterparts at the state levels are the care-taker of the voluntary organisations in the country. The main functions of these institutions are to help the voluntary organisations establish, guide, provide financial assistance and evaluate their work from time-to-time. In short, the Board was established to encourage voluntary organisations, and to

contribute towards the development process in the country. The latest figure shows that there are 12,000 registered voluntary organisations in India.

The voluntary organizations are generating their own finances, through donations, charities, fee, grant-in-aid etc., on the other hand, they are the organizations who get financial assistance from foreign countries like CARE, Church Auxiliary for Social Actions, etc. Their funds are channelized by Ministry of Home Affairs.

These voluntary organisations are engaged in the social welfare activities such as formal and non-formal education including adult education; balwadis; health and nutrition; child and mother care; and creches; rehabilitation works; homes for blind, infirm, aged, orphans; sports and culture; and housing.<sup>3</sup> On the otherhand, some agencies are engaged in the income generating work and alongwith the welfare work, they also provide employment opportunities to the needy.

In the subsequent plans although there was no direct emphasis on the voluntary work it was assimilated with that of social welfare activities.

Though the voluntary organizations and the Planning Commission had long interface but no specific role was assigned to them. In the Fifth Plan, there was a scheme for the promotion of voluntary projects and social action programme. In the Sixth Plan, stress was laid on the importance of the promotion of purely non-government organisations which could motivate and mobilise people in specific or general development tasks.

The Seventh Plan is **very** important as far as the role of voluntary organisations is concerned. The Plan contains a special sub-Chapter for the involvement of voluntary organisations under the poverty alleviation programme. The Chapter deals with the socio-economic upliftment of women in addition to health, family welfare and nutrition programmes. The Plan allocated 1000 crore rupees under the various schemes for their implementation by the voluntary organisations. This shows the seriousness of the policy makers towards the contribution of voluntary sector in the development process.

According to the Plan the "voluntary organisations will have to be associated more closely and actively than hitherto with the programmes for the reduction of poverty and with the effort to make the minimum needs available to the population for improving their quality of life. This will be incorporated as part of the overall strategy for augmenting such programmes meant for the poor, as also an alternative feed-back mechanism for ascertaining whether the target groups have received the benefits meant for them." 5

There are number of factors which strengthens the association of voluntary organisations in view of the magnitude, extent and intensity of the problem. First, there is a growing realisation that the existing machinery is unable to provide the amenities and services to the poor section of the society. The benefits are not reaching the target groups for whom they are means. Secondly, the voluntary organisations have gained experience over their long working in the field, adopting newer techniques having direct interaction with the poor at the grass-root level with proven capabilities. Thirdly, the voluntary organisations have an edge over the government

machinery in terms of : (a) their small size, better management capabilities, and flexibilities to local conditions; (b) working in close collaboration with the local people thus establishing a better rapport with them and the community and having a better understanding of their felt-needs and social conditions; (c) static nature of their organization where remote possibilities of transfers which allow them to build a sustained contact with the people and serve them with certain reputations; (d) commitment and devotion to work; (e) not bound by rigid bureaucratic norms, rules and procedures and thus have greater flexibility. All these factors make <sup>us</sup> /to believe that voluntary organisations are better tuned to serve the urban poor.

The voluntary sector has also undergone a change which is reflected in their working pattern from charity to professionalism in the welfare work. This has resulted in building a corpus of specialised knowledge and experience about what does and what does not work in bringing about socio-economic change.<sup>6</sup> The voluntary organisations are joined by more and more specialised persons such as doctors, engineers,

teachers administrators who find interest in the voluntary work in their spare time or after their retirement. There are also young persons who find their career in voluntary social work.

There are different types of voluntary organisations. Some are interested in enhancing their status through their work and gain benefit out of it? On the other hand, there are organisations which are working selflessly and fearlessly devoting their energies for fighting injustice and trying to secure a better deal to socially and economically deprived persons. Such organisation may be associated with the development programmes for the urban poor.

#### Areas of Association

The voluntary organisations are working in many fields and their most fruitful association would be in the field of poverty alleviation in urban areas. This has gained importance due to creation of slums and the urban-based programmes for the uplift of the urban poor such as the urban basic services, environment improvement of urban slums, IDSMT programme of low-cost sanitation, minimum needs programme



under the 20-Point Programme for the urban areas. The voluntary organisations can help the urban agencies in many ways such as: identifying the target groups, disseminating the development information to the community, mobilising them to undertake the grass-root surveys for identifying the target groups and their needs. Such activities would be of immense help to the urban planners and administrators to provide benefit to the needy. They will be also helpful in the implementation of the government's 20-Point Programme for the urban poor.<sup>8</sup>

The Government's desire for the involvement of voluntary agencies in the programme is based on the realisation that some of the anti-poverty measures do not get benefit the people directly but due to lack of coordination the government is not getting necessary feed-back. While inaugurating a two-day seminar on 'constructive workers on voluntary agencies and Nation Building', the Prime Minister opined that the voluntary organisations had a better and direct contact with the masses and could provide the government the necessary feed-back.<sup>9</sup>

The voluntary sector has certain strengths and weaknesses. In order to gain confidence, of the implementing agency. The voluntary organizations have to minimise their weaknesses.<sup>10</sup> The important strength of voluntary organizations is their motivation and commitment to the people of the area.

The urban planners and administrators have to recognize the strengths of the voluntary organizations and provide them helping hand by assigning some of the development programmes for urban poor according to their capabilities and reputation. Voluntary organizations can do miracles through understanding people and mobilizing public corporation which is one of the important sectors for implementing the development programmes for the urban poor.

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LIFE-SPAN - THE MISSING DIMENSION FROM THE CONCEPT OF URBAN POVERTY  
(Preliminary Paper)

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Life-span - The Missing Dimension from the Concept of Urban Poverty

(Preliminary Paper)

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1. Urban poverty will outstrip and outweigh rural poverty in India as well as in the large majority of the developing countries in the course of the next 15 to 25 years. The concept of poverty in general and that of urban poverty in particular has mostly been explored and viewed in the context of a single dimension of the intake of inadequate number of calories. The time has arrived to broaden the concept of poverty at least for the urban areas (and for the rural areas also) by incorporating the criterion of the normal life-span. The poor should be provided with the means not only for immediate physical survival but also ensuring them the normal expectancy of life.

2. One cannot but help to notice that given a reasonably efficient administration, the modest development of transportation, communication and storage of facilities for foodgrains and a network of public foodgrain distribution system, etc. it is possible to abolish deaths on a massive-scale from acute hunger and starvation, and to replace it by a situation of chronic undernourishment combined with malnutrition and the resultant high rates of morbidity and mortality among all age groups -significantly higher than those in the non-poor segment of the society in addition to and apart from the insufficient growth of the body and the brain.



3. In this scenario both the morbidity and the mortality will be ascribed to diseases and not to hunger and poverty. It will provide a camouflage for what are, in essence, deaths and disabilities due to poverty and dress them up as arising from diseases. This is more likely to occur in urban areas where there is usually a higher visibility for occurrences resulting from poverty and greater political vulnerability for the ruling elite. Such camouflage will therefore make the remedial action far more difficult. This is another reason why the dimension of life-span should be explicitly incorporated in the concept of poverty.

#### Magnitude of the Problem

4. The problem of urban poverty is likely to get progressively worse over the next few decades. The number of urban dwellers in developing countries exceeded the rural dwellers for the first time in 1980. It is forecast that by the year 2000 two out of every three urban dwellers will reside in less developing countries - the reversal of the situation that existed in 1950. The urban population of developing countries which stood <sup>at</sup> merely 100.0 million in 1920 rose to 792.4 million in 1980 and it is anticipated to be 2,115.6 million by the turn of the century. The level of urbanisation in the developing world has been relentlessly increasing: in the present century it rose from 8 per cent of the total population in 1920 to 16 per cent in 1950 and 30 per cent in 1980. It will reach 42.3 per cent by the turn of the century. The level of urbanisation in Asia, Africa and Latin America is expected to be

39 per cent (1,413 million), 43 per cent (346 million), and 75 per cent (466 million) respectively.<sup>1/</sup>

5. According to the estimates of the World Bank, there were some 44 million poor households in the urban area of the developing countries in 1980. It is anticipated that their number would reach 55.5 million in 1990 and 74.3 in the year 2000. Even if we assume four persons per household, the urban poverty will encompass some 300 million by the turn of the century in developing countries.<sup>2/</sup>

6. The urban population of India number 159 million in 1981 census. It was also found that between 1971 and 1981 it grew at the rate of 4.6 per cent per annum compared with the overall population growth rate of 2.5 per cent.<sup>3/</sup>

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<sup>1/</sup> The data are quoted by Ved Prakash, "Affordability and Cost Recovery of Urban Service" in Regional Development Dialogue, Vol.6, No.2, Autumn, 1985, United Nations Centre for Regional Development, Nagoya, Japan, Table 1, pp. 4 & 5 from Philip M. Hauser and Robert W. Gardner, 'Urban Future: Trends and Prospects' in Philip M. Hauser et. al. Population and the Urban Future (Albany, N.Y: State University of New York Press, 1982), pp. 1-58.

<sup>2/</sup> IBRD, Shelter (Poverty and basic needs series), Washington, DC, World Bank, September 1980, Table 1, p.3.

<sup>3/</sup> Census of India, 1981.

The urban dwellers constitute 23.3 per cent of the total population. At the turn of the century this percentage would go up to over 32 per cent. Population below poverty line in 1983-84 was 28.1 per cent or 49 million according to the Planning Commission.<sup>4/</sup> Some thirty to forty million dwellers live in urban slums/squatters' settlement/jhuggies. What is even more disheartening is the fact that the slum population is growing at a faster rate than the growth rate of urban population. By the end of this century the slum population will account for half the urban population. Low income and slum dwelling are usually inseparable twins of poverty.<sup>5/</sup>

#### Missing Dimension of Poverty

5. There is a consensus on the value judgement that poverty represents an undesirable condition for human beings and should be eliminated as soon as possible. But this is only as long as the attributes of poverty are not spelled out except in terms of calories; no limit is set for its abolition; and the institutional and structural changes are not advocated or deployed as instruments for the abolition

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<sup>4/</sup> Government of India Planning Commission: Seventh Five Year Plan, 1985-90, Vol.I, October 1985 pp. 4 & 5.

<sup>5/</sup> Government of India and UNICEF: Urban Basic Service Programme : Plan of Operation - An Abstract from the Country Programme of Cooperation, 1985-89.

of poverty. It may be noted that we are referring to absolute poverty<sup>6/</sup> often expressed in the floor level of income; and not to relative poverty<sup>7/</sup> which is assessed on the basis of income distribution and measured by the number of persons in one or more bottom deciles of income groups, and is, therefore, found in all countries of the world.

6. Absolute poverty implies deprivation of 'necessities of life' deemed to be indispensable for physical existence and productive work/activities. The latter is probably judged as a necessary condition so that the wretched of the land hopefully and sooner rather than later can procure the wherewithal necessary for his or her continued existence, and cease to be a "burden" on the society/the state budget. The necessities of life may be exclusively defined in terms of calories or the energy balance (a single norm) or calories plus other ingredients such as minimum needs in terms of clothing, shelter, education, health care, etc. (multiple norms).<sup>8/</sup>

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6/ Amartya Sen, Poverty and Famines - An Essay on Entitlement and Deprivation, Oxford University Press, New Delhi, 1982 pp. 9 to 23; and Kamta Prasad, Planning for Poverty Alleviation, Agricare Publishing Academy, New Delhi, 1985 pp. 3 to 8. Please also see Amartya Sen "Poor Relatively Speaking", Oxford Economic Papers, Volume 35, No.2, July 1983 pp. 153 to 168; "Poverty, Inequality and Unemployment: Some Conceptual Issues in Measurement", Economic and Political Weekly, Bombay, No.8, 1973; and "A Sociological Approach to the Measurement of Poverty: A Reply to Professor Peter Townsend", Oxford Economic Paper, New Series, Vol. 37, pp.669 to 676.

7/ Peter Townsend, "A Sociological Approach to the Measurement of Poverty - A Rejoinder to Professor Amartya Sen," ibid, pp.659 to 668.

8/ For instance, it was stated by Robert S. McNamara in 1980 that "Some 800 individuals there (in developing countries) remain caught up in absolute poverty: a condition of life so limited by malnutrition, disease, illiteracy, low life expectancy, and a high infant mortality as to be beneath any rational definition of human decency." Preface to Shelter (Poverty and Basic Needs Series), September, 1980. op.cit.

For example, the Planning Commission has fixed the norm of poverty in terms of the quantity of calories - the average intake of 2400 calories per person in the rural India and the average intake of 2100 calories per person in urban India are deemed to be adequate.<sup>9/</sup> Other entities may disagree on the number of calories.<sup>10/</sup> However the number of calories - the quantitative index of the energy balance - is objectively determined on the basis of the up-to-date knowledge of science by a group of experts rather than on the basis of political expediency.<sup>11/</sup> However, there may also be a difference of opinion on the scientific correctness of the relevant concepts and/or methodology of nutritional requirement.<sup>12/</sup>

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9/ C.H. Hanumanth Rao, S.P. Gupta and K.L. Dutt, "Poverty Eradication in India by the year 2000 : Some Macro-Economic Implications" in Man and Development, Vol.III, No.4, December, 1985, Chandigarh, p.30

10/ Per-capita daily intake of 2,250 calories was considered adequate both in rural and urban areas by V.M. Dandekar and N. Rath in their study, Poverty in India, Indian School of Political Economy, Poona, in 1971. Kamta Prasad, op. cit pp. 16-17 in Annexure 2.1 provides "Bibliography of Studies Dealing with the Extent of Poverty in India".

11/ C.H. Hanumanth Rao et. al., ibid.

12/ For alternative concepts of nutritional requirement, see P.V. Sukhatme (ed.), Newer Concepts in Nutrition and their Implications for Policy, Maharashtra Association for the Association of Science Research Institute, Poona 1982.

7. It was but natural that in the initial exploration of absolute poverty by the academicians the intake of calories was selected as an index to demarcate between the poor and the residuary strata of the society. After all, undernourishment in the form of the consumption of insufficient calories represents the starkest and worst dimension of the poverty. But there is another feature of poverty which has been recently emerging as almost equally important dimension viz. malnutrition in the form of inadequate consumption of proteins, vitamins, minerals, roughage, etc. which inhibit not only the growth of the body and mind of infants and children but also result in deficiency diseases and disorders.<sup>13/</sup> There is synergism between disease and nutrition. Diseases and disorders result in malabsorption of food.<sup>14/</sup>

8. Nutritionally induced determinant of synergism may include the reduced capacity of the human body or the host to form specific anti-bodies, the decrease in phagocytic activity of microphages and macrophages, interference with production of non-specific protective substances, reduced non-specific resistance to bacterial toxins, alteration in tissue integrity, diminished inflammatory response and alterations in wound healing and collagen formation, effects originating

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13/ Food and Nutrition Encyclopedia, Pegus Press, Clvis, California, USA, 1983, Vol.I lists 20 deficiency diseases and 33 deficiency disorders. Please see Table D-1 and Table D-2 pp. 530 to 541.

14/ Food and Nutrition Encyclopedia, <sup>cit.</sup> Vol.II lists in Table D-4 a number of malabsorption syndromes encompassing causes and resulting abnormality pp. 1342 to 1344.



in alterations of intestinal flora and variations in endocrine activity.<sup>15/</sup> It means that undernourishment combined with malnutrition may lead not only to deficiency diseases but also to the reduced resistance to diseases and infection in general. The poor are thus vulnerable to the host of communicable diseases. Insanitary environment at home and in the neighbourhood (i.e. slums, jhuggies and the squatter settlements) make several infections and non-communicable diseases endemic in the locality of the poor.

9. Several factors combine and reinforce each other and cause significant increases in the morbidity and mortality rates in all age groups of the poor. More prominent among them are (i) undernourishment combined with malnutrition, (ii) the weak resistance to diseases, (iii) the presence of endemic diseases in the locality, (iv) the over-crowded slums without protected and safe water supply, and the hygienic waste disposal facilities or adequate ventilation, (v) deficiency diseases, (vi) the neighbourhood with grossly insufficient municipal services, (vii) the lack of knowledge of personal and domestic hygiene, (viii) the absence of primary health care, and (ix) the affordable referral secondary and tertiary curative facilities. In other words, the life-span of the poor is significantly less than that of the non-poor segment of the society. The urban poor are also more prone to accidents - industrial, traffic and domestic - which also contribute towards the reduction of their life-span.

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15. World Health Organization, Monograph Series 57, Interaction of Nutrition and Infection, WHO, Geneva, 1968 p.13.

10. The biggest lacuna in India's demographic data is the absence of the collection of the data on the average life-span of the social groups such as the poor and the non-poor, income groups, occupations, the slum dwellers and the dwellers in other houses, etc. The search for such data in the short time at my disposal was in vain. I believe that a poor family have not only a higher rate of mortality, especially infant and child mortality, but the surviving persons also have a reduced life-span in all other age groups. The dimension of poverty has yet to receive adequate attention in the academic exploration of poverty.

11. A study undertaken by the Department of the International Economic and Social Affairs of the United Nations on mortality rates and socio-economic differentials in developing countries concluded that the child mortality ratios generally show a pattern of declining ratios with increasing income and wealth, but the decline is not always monotonic.....<sup>16/</sup> It also reveals that the mother's education plays a crucial role in lowering child mortality.<sup>17/</sup> In India the average life expectancy at all ages is found to be lower in the rural areas than the urban areas. In 1970-75, the average expectancy of life at birth in the rural areas was 48.0 as against 58.9 years in urban areas.

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<sup>16/</sup> "Socio-Economic Differential in Child Mortality" - Department of International Economic and Social Affairs, United Nations, New York, 1985 p.200

<sup>17/</sup> Ibid, p.27

"The higher expectation of life in the urban areas as compared to rural areas may be due to better health and hygienic facilities".<sup>18/</sup>

### Chronic Undernourishment in Insanitary Environment

12. The experience of independent India has demonstrated that the starvation deaths on a large-scale can be eliminated if the political leadership has a will to do so. The poor need not face the prospects of starvation death notwithstanding the ever present sense of insecurity among the poor at an individual level. The starvation death can be prevented in condition of the failure of monsoon or a sudden collapse of entitlement or the purchasing power for any reason or the combination of both.

13. The essential ingredients of the prevention of famine are the presence of an infrastructure and the modus vivendi to activate the infrastructure in case the need arises. The following elements of the infrastructure are well-known:

- a. Existence of the moderately extensive transportation network,
- b. The network of the widespread storage facilities for foodgrains and other necessities,
- c. Two-way communication system for exchange of information and instructions including the early warning system for famines, however, crude it might be,
- d. A set of clear instructions in the form of a manual

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<sup>18/</sup> Sample Registration Bulletin, Vol.XVI, No.1, June 1982, Registrar General, India, Ministry of Home Affairs, New Delhi p.13.

for the decentralised and lower level organs of administration on the action to be taken in case of drought, flood, or any other disaster,

- e. The network of the public distribution retail outlets for foodgrains and other essential items which can be quickly mobilized and activated for subsidized distribution,
- f. Existence of the stock of skeleton layouts or blueprints for public works programme which can be quickly finalised and implemented at the multiple decentralised centres,
- g. Public health service, especially primary health care centres, with the trained personnel which can be mobilized at short notice to prevent the outbreak of epidemics,
- h. Personnel experienced or trained in operating the low cost relief kitchen, and
- i. Decentralised and operationally independent sources of information including the media which can disseminate information and act as the political pressure group, if necessary.

14. The modus vivendi for the successful operation is

- (i) the prompt transmission of the true information to higher echelons of the administrative and political hierarchy, (ii) the decentralised administrative organs with power and resources to take atleast immediate and limited relief measures or to initiate them and (iii) the sensitized higher echelons of administration and political leadership which would receive information, however unpleasant,

with an open mind and respond promptly sympathetically and take the necessary measures. It is feasible for most developing countries even with their limited resources to build such infrastructure and the modus vivendi to prevent the large-scale starvation death within a span of few years.

15. Assuming such measures are taken as in the case of India, the dramatic and explosive situation of the massive starvation and the attendant consequences are avoided. But the poverty persists and finds expression in chronic undernourishment of the poor with malnutrition and significant higher morbidity and mortality in all age groups. The urban poor are not only underfed and underclothed but also reside in the overcrowded slums with filth and dirt, without adequate watersupply free from water-borne diseases, without hygienic facilities for liquid and solid waste disposal or even proper ventilation in the neighbourhood with endemic diseases and without adequate public health and municipal services. They become easy prey to communicable diseases. Death is not from acute hunger but is attributed to some diseases or disorder. An average citizen or a politician does not think of the underlying causes. But the God of poverty continues to extract the sacrifices from the poor slowly but surely and steadily. Sacrifices are still in the form of death, morbidity and disability. However, they are not collective and lack the dramatic flavour about them. They are there, slow but sure, steady and relentless. The anti-poverty strategy especially in urban areas has to successfully overcome this state of affairs. We have to reformulate and accept universally a new value

judgement viz. the poor has to live healthy and work productively for the same life-span as any other groups of the society.

### Some Elements of Urban Anti-Poverty Strategy

16. The goal providing the urban poor with adequate nourishment and nutrition and the life-span of around seven decades appears to be feasible within the present framework of the economy and the polity in the country, Within the next decade or so. It may be interesting to examine the life expectancy data at different ages in urban India.

#### Life Expectancy in Urban India in 1970-75

Age interval	Males	Females	Persons
0-1	58.8	59.2	58.9
1-5	63.1	63.5	63.3
5-10	60.9	62.7	61.7
10-15	56.6	58.6	57.5
15-20	52.0	54.0	52.9
20-25	47.4	49.5	48.3

(Extracted from Abridged Life Tables of India,  
Statements 2 & 5 Sample Registration Bulletin op-cit 14 & 15

17. The data in the above table reveal that a person who has completed 20 year has, at least, the additional 48.3 years of life expectancy giving the life-span of atleast 68.3 years. The life-span of a twenty year old man and woman will be in the order of atleast 67.4 years and 68.3 years. These data pertain to 1970-75. Some



improvement in the average span must have taken place during last 10 years or so. On the other hand, the data encompass both the poor and non-poor segments of the society. The major problem is, of course, high infant and child mortality rates among the poor and the illiterate. In 1978, the urban mortality rate was 26.3 in the age-group 0-4 years; compared with the mortality rate of 1.5 in the age-group 5-9 years; and 1.0 in the age group of 10-14 years. The mortality rate begins to increase from the next and subsequent age groups: 1.6 in the age-group 15-19 right up to 42.3 in the age-group of 65 to 69 years.<sup>19/</sup> Apart from family income, hygiene, home sanitation, mother's education especially with reference to health care management, vaccination, primary health care and access to secondary and tertiary curative facilities begin to acquire increasing importance. In brief, there is considerable but manageable leeway to make up in order to realize the target of 70 years of life expectancy at birth for poor.

18. Indian economy has undeniably made some notable strides in three and half decades of development planning. Indian planning exercises are among those of the world's best. From as early as 1962, the Perspective Planning Division had carried out repeated and detailed exercises on the perspectives of the economic conditions of the poor. And yet in achieving its most important aim viz.,

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19/ Sample Registration Bulletin, op.cit. Table 4, p.12.

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poverty reduction Indian planning has notably failed. In India, there is a vast number of the poor and even a greater number of non-poor low income groups. In such a condition, the redistribution of income, if it politically feasible, has a limited potential. Certainly, it is India's one of the biggest problems.

19. By the same token the competition among different groups of the society, for different regions and multiple ends and activities for acquiring a good part of the limited resources of the poor nation is bound to be fierce. The power elite or the power structure which controls the allocation of utilisation of resources naturally serves in the first instance its own vested interests. And in second places comes the accommodation with the various organized lobbies or pressure groups. The lowest priority is received by the category of activities and concerns born out of humanitarian considerations and idealism of the ruling elite. The goal of poverty reduction and anti-poverty programmes as distinct from the concessions granted either on the eve of the election or those arising from the imperatives of the politics of election fall in the lowest scale of priority of the ruling elite. The similar opinion is also expressed by another

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20/ D.T. Lakdawala, Redistributive Policies and Basic Needs in Indian Planning", in The Basic Needs Approach to Indian Planning - Proceedings and Papers of a Seminar in Trivendrum (India), July 21-22, 1980, Asian Employment Programme, Bangkok, 1980, pp. 56-57.

scholar: a queuing system of some kind operates in the government allocation of resources where the poor are served last, if at all.<sup>21/</sup>

20. The poor consequently have to articulate their interests as a group with common interest and organize themselves into a pressure group and operate their own lobby to the extent feasible. Their only political clout is their voting strength at the time of election, the organized dissent which they can mount, and, perhaps, their potential for 'political mischief' which may threaten to undermine the political stability of the social order. Unorganized and ignorant on one hand and divided on the caste, religion, language and regional lines and haunted by a sense of insecurity on the other hand, the poor-urban or rural - tend to be marginal and peripheral in competition for societal resources - Gandhiji's 'dumb millions'. The first basic element of the urban anti-poverty strategy is to assist and facilitate the poor to organize themselves and help its leadership to articulate their interests and to formulate their demands for specific purposes and activities.

21. The second vital element of anti-poverty strategy is that the anti-poverty programmes should be so designed as to necessarily ensure the involvement, participation, commitment and contribution of

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21/ Yue-man Yeung, "Provision of Urban Services in Asia: the Role of People-based Mechanisms," in Regional Development Dialogue, op.cit. p.149.

the poor. The underlying rationale is not only the tapping of the community's latent resources of labour leadership and the collective action but also the promotion of human dignity, self help and co-operation and lending the programme the quality of the self-sustained durability.<sup>22/</sup>

22. The ideological bias of the elements of bureaucracy and the local political leadership who advocate, design and implement the anti-poverty programmes do adversely influence the effectiveness of the programmes. Their bias is largely conscious and at times unconscious. They divert the part of assigned resources to their present benefits (corruption) and/or for other ends. As far as the corruption is concerned, it has engulfed most spheres of economic and political activities e.g. licences, procurement, taxation, etc. Corruption is undeniably an important element in the relatively much higher inflation of the capital costs of a project. The allocation for the anti-poverty programmes are often scaled down on the plea of corruption. But we never think of reducing investment and other activities due to prevalence of corruption. Is scaling down the allocation for anti-poverty on the pretext of corruption an illustration of unconscious bias against the poor?

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<sup>22/</sup> For the comparative experience of Hong Kong, the Phillipines, Indonesia, South Korea and Malaysia, see, *ibid*, pp. 148 to 163.

23. The third necessary ingredient of the anti-poverty strategy is the employment generation schemes combined with the massive training activity for technical skill formation. Who are the poorest of the poor? The answer is that they are casual workers in urban and rural areas of the countries. They have hardly any assets. They are largely illiterate in the rural areas while their level of education rarely exceeds the primary level. They are unemployed<sup>23/</sup> for a large fraction of the year. They are either unskilled workers or the gross-under-employed artisans with traditional skills but without implements or tools. The urban poor needs some floor to their income. It may be feasible to enforce minimum wages with the improved organisation of the urban poor. Additional days of employment may be provided through public work programmes such as the Maharashtra Employment Guarantee Scheme which appears to have conferred benefits to the women and the weakest sections, and especially, scheduled castes and tribes. Nine-tenth of the beneficiaries of the scheme were below the poverty line.<sup>24/</sup>

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23/ Pravin Visaria, Poverty and Unemployment in India : An Analysis of Recent Evidence, World Bank Staff Working Paper, No.147, Washington D.C. , October, 1980.

24/ D.T. Lakdawala, op. cit. p.61

24. The other dimension of this element of the strategy is launching of the massive training programmes for imparting new technical skills to the urban poor. The new technical skills alone can pave the way for their absorption in the regular employment. Such employment schemes can be either self-liquidating or the productivity and scope of the public work can be upgraded and expanded. Such a combination of employment and training programmes does not seem to have been yet experimented.

25. The implementation of this element of strategy will tax state and the Central resources, the efficiency of the civil service will have to be upgraded, and public works with adequate recurrent yield will have to be located and designed. Suitable skill formation schemes will have to be formulated and implemented. Can these requirements be met? The only answer which I can give is that they are within the realm of the possibility. And if there is a political will, there is a way out.

26. The fourth indispensable element is the cluster of the health, sanitation and hygienic activities. Focus of these activities should be on (i) education of women (and also men) on the care of infants and babies, nutrition, domestic and neighbour sanitation, personal hygiene and self-management of health care problems, (ii) vaccinations, (iii) the drinking water safe from water-borne diseases, (iv) sanitary toilets (v) garbage collection and disposal and (vi) special programme for the elimination of endemic diseases. These activities must be undertaken on the basis of the partnership among the poor, primary health care service personnel



the local municipal service personnel and the agencies of the state and central government. The activities to be undertaken and the priorities among them can be defined and determined by the experts and the urban poor and may be modified from the experience.

27. We have deliberately not mentioned the low cost housing for the poor as one of the indispensable elements of the anti-poverty strategy to achieve the proposed target. The problem of the clearance of slums, the squatter settlements and jhuggies and their replacement by the low cost housing will require enormous resources and will take, with the best of intention, <sup>25/</sup> several decades. It is feasible to lay down objective standards for low cost housing in terms of the per capita space, ventilation, nature of toilet and liquid waste disposal, bathroom & kitchen, the piped water supply and their amount, etc.<sup>26/</sup> The rehabilitation of slums and building of low income houses in accordance with minimum health and sanitary standards are positively and urgently needed on a big scale. Resources should be made available for this purpose.

28. However, it is possible and desirable to ensure the poor of the adequate and clean food with the minimum of requirement of essential nutrients, a good health, the adequate strength and vigour for productive work and the average life expectancy at birth of at least seven decades without waiting for the realization of the housing needs in its entirety.

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25/ Please see, Vinay D. Lall, Some Aspects of Economics of Housing, The Times Research Foundation, New Delhi, September, 1982; and Workshop on Housing for Millions, New Delhi, October 4, 1983; Federation of Indian Chambers of Commerce and Industry, New Delhi, 1983.

26/ Please see Chapter 5, Housing Standards in the Report of the Development Group on Low Cost Housing, Sept. 1977, the Govt. of India, Ministry of Works & Housing, National Building Organization and UN Regional Housing Centre, ESCAP, New Delhi.

## HOUSING AND URBAN POOR.

### GHAZIABAD EXPERIENCE.

Dharmendra Deo, I.A.S.\*

The process of urbanisation in the specific context of third world countries has brought in its wake numerous problems relating to shelter, infrastructure, transport etc. Urban development in general has resulted in greater mobility of the rural people and frequent intercourse with urban areas. This coupled with the spread of education and availability of other urban services has attracted large member of rural poors to the urban areas in the hope of gainful employment and better standard of life. It is this section of our population, which is usually referred to as urban poor and this normally supports the secondary and tertiary activities in urban areas and because of economic constraints can not afford benefits of urban life.

In the specific context of Ghaziabad, which has recorded population growth of more than 600% in the last three decades, manufacturing is the major economic activity, which supports about 35% of the total workforce in the city. Out of these industrial workers, about 68% are unskilled labourers. These industrial labourers are further joined by other low-income groups, including workers in transport and other allied activities, to form the urban poor population in the city.

Ghaziabad, which has a history of about 250 years, has been living under the shadow of Delhi. So it has been performing subsidiary functions, because of which a vast population of unskilled and semi-skilled workers has thronged the city. Moreover, refugees' influx after the partition had already brought a lot of disadvantaged population. All this coupled with induced development in terms of industrialisation and the resultant construction

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and other tertiary activities, distorted the demographic structure to such an extent that a rural culture was distinctly visible in the city.

Initially when Improvement Trust was established in the city in 1960, it was thought that some physical upgradation and improvement would serve the purpose of planned development. Certain artefacts were built within the municipal limit, which was the area of operation of the Trust. But soon it was realised that mere physical improvement programmes within a limited area would not help. So with a wider perspective in view, Development Authority was created in 1977. A more dynamic role was envisaged for the Authority, so that a comprehensive development strategy for the present and future development process could be worked out. After initial teething troubles, the Authority has now come of age. We are now fully aware of the problems, constraints and potentials. Facts and figures regarding our physical and financial achievements clearly show the trend of growth. Whatever was achieved till the first quarter of this decade, has been doubled during the last four years. At the same time, not only physical but socio-economic and environmental aspects have been given due consideration in each project and programme undertaken by the Authority. This has now resulted in the emergence of urban culture.

As mentioned earlier, demographic distortions in terms of large proportion of urban poors is a real challenge before us. Although the Authority had been making planned residential provisions for this section of the society in earlier phases, such programmes were not based on sound strategy,

as a result of which adequate housing stock could not be created for right people, at right place and at right time. This had resulted in unintended growth of residential areas.

According to a survey conducted in 1983, it was found that at that time there were about 22 unauthorised residential colonies in Ghaziabad, which were inhabited by poorer sections of the society. Further investigation revealed that most of them could afford to hire or purchase a house constructed by the Development Authority, still they were living in such environmentally incompatible areas.

A survey was then conducted to find out the reason for such a situation. It was revealed that lack of adequate housing stock for different classes of people, and lac of awareness on part of poor classes about the public housing schemes, had been the real cause for springing up of such unintended development.

Considering all these constraints and potentials, we started tackling the issue with a focus on target groups. A demand survey was carried out to identify the target groups. Broadly, two types of unauthorised settlements were identified for the purpose :

- firstly, those which had come up on public land, and thus hindering the development projects of the Authority.
- Secondly, those unauthorised colonies which had come up on private land generally in collaboration with the land-owners. Here we thought of regularising them and making provision for necessary infrastructure

After identification of target groups and their affordable limits, we proposed two types of schemes - one was the sites and services scheme, in which a sanitary core was provided on a plot of 30 sq. meters plot, having access from 4 metre wide pathway. Owner of such plots were exempted from getting the approval of building plans. Development Authority provided them with alternative sketch plans also. subsidised rates were charged and the owners were required to pay the cost of such plots at a rate of Rs. 1/- per day.

Second, was triple-storeyed one-room tenements. Each such flat had a living room, cooking space, one W.C. and bath. These blocks were located on main roads in the same locality. Land cost was again subsidised and the owners were required to pay the cost of such flats at a rate of Rs. 30/ per day.

One unique feature of such scheme was the payment schedule, which allowed the owners to pay their instalment on daily basis. This was considered necessary because most of the urban poors are daily earners. Their expenditure pattern and lack of education regarding savings, does not afford them adequate opportunity to pay the instalments on monthly basis.

This scheme was originally planned in sector XI-XII of Ghaziabad Master Plan area, which is easily accessible by road and rail transport. Due consideration was given to the relationship between work place and living place. Infact the location of Sector XI- XII is such that it is surrounded on east by industrial estate and on west by railway workshop. Both these work centres employ a sizeable number of occupants of these schemes. At the same time, quite a few of the occupants are employed in Delhi and Shahdara, and they have the cheaper transport to their work place



in terms of rail. Moreover, this sector is adjacent to other low-income localities, which has enabled a cohesive social structure to emerge.

Thus social, economic and physical potentials have been exploited to the fullest extent possible to make this scheme of rehabilitation of urban poor a success. Unlike other urban areas where people have sold such plots and houses to squat again, Ghaziabad experiment has been acclaimed a success in the sense that not even a single house or plot under this scheme has been resold.

Another positive aspect of the scheme in the context of overall planned development, is that the slum dwellers were given possession of their plots and houses on that day on which they demolished their existing jhuggi-jhopri. Thus we ensured that both our objectives were achieved simultaneously. Success of our strategy can be gauged by the fact that no new unauthorised colony has sprung up during last 3-4 years.

Encouraged by the success of our housing strategy, we have continued our efforts with full vigour. Several other such schemes have been taken up at different localities in the city, where due emphasis has been given to home-work place relationship, and the socio-economic aspects and aspirations. One such scheme in Patel Nagar, Sector-VII G.M.P. has been adopted as a pilot project under the I.Y.S.H. Here triple-storeyed E.W.S. houses are under construction to accommodate the sweepers, who were squatting there for the last two decades. persuasive strategy had been adopted to make them agree to go in for planned housing.



In the context of urban spread, due care has been taken to see that none of the groups remain isolated. At the same time, desired levels of interaction have been ensured. However, a physical constraint in the form of Hindon river, had divided the city into two different entities, which has resulted in socio-cultural segregation. To tackle this issue of segregation, we have taken up a project to create a "binding zone" on banks of Hindon river. This has been named as "Indira Priyadarshini Udyan". This is going to be an activity oriented recreation zone, which would characterise the dynamism of our Late Prime Minister, after whose name this area is being developed. In keeping with the spirit which she fostered, this area will serve all classes of the people irrespective of their ethnicity and socio-cultural affiliations. We thus foresee an equitable distribution of our urban resources, which in turn will ensure a healthy urban structure to emerge.

NATIONAL SEMINAR ON "DEVELOPMENT  
PROGRAMMES FOR THE URBAN POOR"

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Development Programmes, Voluntary  
Organisations and the Urban Poor

S P A R C

Society for Promotion  
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DEVELOPMENT PROGRAMMES, VOLUNTARY ORGANIZATIONS  
AND THE URBAN POOR

(This paper was presented by SPARC, Bombay, in the national seminar on 'Development Programmes for the urban poor', organized by the Institute of Public administration, New Delhi, on February, 1987)

INTRODUCTION : The focus : Metro cities :

If we assume that urban growth and planning are oriented to the development of human resources, then, the focus has definitely to be the urban poor, who account for 40-50 per cent of the population in cities in India. Planners and urban researchers acknowledge today that urbanization has meant a differential spread of both resources and population in a manner which has resulted in an 'urban problem'. The country's 156 million urban population lives in 3233 urban centres and 12 metro cities with 114 and 42 million inhabitants respectively. Metro cities in all the developing countries are today's 'survival cities'. By the year A.D. 2000, the U.N. projections show that there will be 22 mega cities (with a population of 10 million plus) in the world of which 18 will be in the developing countries.

In our country, by the turn of the century, urban concentration would follow a similar pattern : 110 million would be living in 30 metro cities (with a population each of one million plus) even with the current average annual growth rate of 3.8 per cent.

Within large cities, it is the settlements of the poor that are growing at twice the growth rate of the urban population in the last decade. This means that any innovative solution to the present problems and to create a set of liveable, sustainable cities must deal with the issues of massive urban poverty.

The urban poor :

In the last two decades, series of man-made and natural disasters, the near stagnation of unirrigated/semi-arid cultivation are some of the important factors that have led to the mass migration of the rural poor to the cities.

Studies by the I.L.O. have shown that people follow opportunity and the larger the city, the more the opportunity. Urban reality is determined by 'survival'. Conflicting pulls, competition for economic and social status and inequality in distribution of public resources determine the majority of the poor are pushed into slums or onto pavements and to the unorganized sector.

Rural-urban migration; its role in urban explosion continues to be exaggerated in the case of the large cities but these cities are growing in size. Nevertheless, concentration of developmental, political and industrial activities ensure that the migrants find jobs in the city more quickly than other residents. Among the poorest migrant families, both men and women work in whatever employment is available; so do their children. Hectic 'development' activity and in its wake, increased growth of road and buildings (the construction sector), transport, the recycling industry, wholesale and retail trade, an ever expanding service sector characterize the metro cities. These sectors require cheap labour of unskilled and semi-skilled labour on a mass scale.

#### How do the poor ensure their survival in cities ?

On arrival in the cities, the poor create their settlements on marshy, unused/unuseable land in pockets which offer them subsistence employment. A census of over 6000 households in the pavements in the central business district of Bombay shows that 80-85 per cent earners did not use the public transport system to reach their places of work and trade (SPARC, 1985). Statistics reveal that slum dwellers have lived in Bombay for 15 years or even more and yet continue to struggle to obtain basic documents and official recognition (ESCAP, 1982).

It is seen that years after they settle in large cities, the poor continue to upgrade the land they settled on; to include paved roads, water, electricity, drainage and garbage disposal systems, schools and commerce despite the official 'illegal' status of these settlements. The country's largest city administration subsidizes Rs.150 per person yearly to provide

public conservancy services in a posh area in Bombay (D'Souza, 1986). In contrast, pavement dwellers in a particular area in the same city and in the same neighbourhood pay to use public toilets, for garbage disposal, for water ... not to mention the payments they make for other institutionalized services like schools and dispensaries.

Further, women undertake a range of productive activities to supplement and to sustain meagre resources -- putting out work, collection of fuel, house-building and repairing, raising poultry, etc. in addition to their struggle to obtain basic amenities and household work.

These are just a few ways in which the urban poor subsidize the city's growth and development on a large scale as land developers, house builders, in maintenance of civic amenities and as the backbone of public service systems in the cities.

#### Official Response :

The problem of the urban poor has evoked a range of administrative measures all of which focused on eviction - immediate or imminent - of the problem of slums. Some State policies include procedures to limit the flow of rural migrants. However, the urban reality indicates that despite these measures, the growth rate of the population in slums has been greater than that of the urban population as a whole in the metro cities. Further, we find that in the four metro cities of Bombay, Delhi, Calcutta and Madras, about 75 per cent of the poor work in the unorganized sector. These facts highlight two extreme aspects of the life of the urban poor : SHELTER and ECONOMIC SURVIVAL.

The situation of the urban poor reveal then low investment, unequal distribution of public resources and failure of delivery systems in priority areas of development and services.



The basis of State priorities for the urban poor seems to be entrenched in a series of worn-out assumptions :

- (1) Cities today are congested, over-populated and unworthy of living; 'things aren't the same' because of the urban poor.
- (2) The unregistered sector is a burden on the city's exchequer; wherein employment of the majority is not taxed.
- (3) The city's poor use scarce resources such as water, electricity and other amenities - free :
- (4) Slums and pavement dwellers occupy land reserved for public use.

Who are the urban poor ? How do they live ? What are their priority needs ? These and other similar questions are never asked by planners.

The absence of hard facts and figures on the causes and count of urban poverty reveals an important lacuna in urban planning. The Task Force Report has noted that there has been no effort to enumerate slums on a national level; the four major cities included. This in turn has meant little clarity on the allocation of public resources. Whatever base data are available for local planning is outdated and do not cover the entire population. To illustrate, in Bombay, the last Census of slums carried out by the State Government was in 1976. It revealed that a population of 28.18 lakhs living in 627,404 hutments. A decade later, gross estimates of slum and pavement population (about 40-42 lakhs) form the basis of official information on the urban poor in the city.

#### URBAN POLICIES AND PROGRAMMES FOR THE POOR

A national urban development policy is yet in the making; meanwhile sections of the Five Year Plan blueprints on housing and basic services form the guidelines for the State level policies on urban development. As of now, the Task Force Report is the most comprehensive document available on



assessment of needs and programmes in areas of housing and urban development. However, policy documents and master plans continue to visualize 'stable' cities basing themselves on a static representation of urban centres, little realizing that a durable city is one that is constantly changing with the movement of people and opportunities.

In this context, large cities represent the biggest challenge and least understood dimensions to our country's planners who are busy planning new cities which 1990 would be tomorrow's metro cities with a population of over one million.

How responsive are the current structures of decision making and communication ?

The principles which characterize the current urban development and planning exercises are :

- Urban development is not viewed in a holistic manner to include the development of human and material resources.
- Broad based planning based on growth projections of cities and population preclude coordinated regional and local planning and utilization of resources. Master development plans are actually only land-use plans
- Growth of metro cities in the decade 1971-81 reflect the concentration of economic activity imbalanced distribution of public resources
- Identification of causes of urban poverty and priorities of the majority - the urban poor - have received little concern as studies and statistics are oriented towards projection of growth and trends and not towards identification of problem areas and existing resources.

Urban planning processes and decision making structures reflect the conflicting pulls of international trends, socio-political climate, the exigencies of technical scientific planning and finally the various pulls and

pressures exercised by local groups - business interests and political parties and bureaucrats.

In a context where development plans are made at the national level, sanctioned at the State level and implemented by the city administration, public information on budget resources, schemes and how they function are scarcely available and therefore priced. For the affected majority, the urban poor, participation, access to information on community resources and institutions is equated with a series of alignments to attain political visibility. Outdated laws and official rules have termed everything the poor do as 'illegal'.

Life experiences of the poorest - the pavement dwellers - reveal that obtaining a ration card - which is considered the first step towards establishing an identity in an urban area, is a long drawn out process which involves encounters with many institutions, an expenditure of precious time, money and use of social and political contacts.

It is then, not surprising that the urban poor function as mere 'vote banks' of political parties. A deeper examination reveals that slum and pavement dwellers are forced to ally with 'A' or 'B' or 'C' local parties or politicians to influence decisions at the local level. For e.g. Obtaining civic amenities like water, toilets or electricity may depend on economic and political interests that the particular slum area represents. The picture that emerges is sketched in what follows :

- There is an unequal distribution of development resources in cities which is weighted against the poor
- Basic survival priorities of the poor -- housing and employment are regarded as 'State subjects' implemented by the local governments limited by vision and resources.

- Organized lobbies of business interests, political parties, professional groups, builders, trade unions, etc. are specific interest groups which currently exercise a tremendous influence on decision making structures.
- The urban poor do not stand to gain - as their interests are divided by law, official rules and procedures, socio-political affiliations, ethnic and caste groupings and their own low level of self-organization.
- It is seen that political alignments of local organizations of the poor are often short-lived and changing - the political visibility so attained has often worked against the interests of the poor.
- Democratic organizations like local slum committees and trade unions function in parallel streams; thereby fragmenting the poor on crucial demands - land tenure, housing, basic services and employment
- The interplay of political forces and bureaucratic structures in urban areas have evolved a series of procedures (official and unofficial) which are enmeshed within a chain of social and political contacts from the ministerial level to that of the local politician. This chain has in turn generated the need for 'new knowledge'. Persons with contacts in multiple formal institutions like city administration offices, banks and development institutions become one of the loci of power in addition to those in traditional power positions.

In the above context, it is relevant to move on to a discussion on the role of NGOs or non governmental organizations involved in urban development efforts.

By definition and tradition, NGOs have and taken up different positions vis-a-vis development programmes and hence functioned in multiple roles oriented to participation of the poor.

In the context of urban development, the NGOs have played a 'visible' role in the field of delivery of education, health, nutrition, women-and-child welfare and family planning programmes. Much of the involvement of NGOs has been oriented towards implementation of basic services. Broadly categorised, voluntary efforts are directed as follows :

- (1) As a vehicle for delivery of government welfare services at the field level
- (2) Provide alternate systems, health centres, non-formal education, run balwadis, creches and other complementary services.
- (3) Develop innovative models for service delivery
- (4) Community development projects which combine delivery of welfare services together with eliciting the participation of the target groups
- (5) Training community workers
- (6) Meeting research and training needs of projects

The history of involvement of NGOs in government efforts in our country is a story of <sup>making</sup> government programmes work for the target population.

A critical look at such efforts reveals that the achievement of short term and often short sighted goals has led to immense frustration for both the agency and the worker. Often agencies are pressurized into functioning exactly like the government functionaries. Absence of coordinated efforts have resulted in concentration of services in certain slum pockets. Not only that priorities and needs of the poorest have



suffered at the cost of achievement of physical targets. Tree planting, nutrition and medical camps and other programmes are conducted in slums where basic needs like drinking water, toilets, electricity, drainage and garbage disposal systems are absent or totally inadequate. This is the case in majority of slums.

On the other hand, several voluntary organizations have worked out modifications or created model projects which have benefited the affected population. Seen in a larger context, NGOs are placed in between the micro reality of the people in the process of identifying their problems and on the other hand developing or bending systems to work for people. Having done all this, it is seen that NGOs and the government are caught up in a paradox whichever way one looks at it.

One can cite examples of many development schemes like the community health workers' scheme, training of balsevikas or anganwadi workers which lost their innovativeness when they were taken over by the government machinery. In order that these programmes cater to a larger target group - centralized, bureaucratic structures were set up which eroded participation of the people and the inherent strengths and magnified weaknesses. On the other hand, the work of NGOs by themselves cannot ensure the success of mass developmental efforts especially in the urban areas given their own limitations

The criticism of the above approaches - where NGOs make the government programmes work or the other in which the government replicates or adapts and adopts a model project of the NGO on a mass scale, lies the underlying view which positions the poor as 'beneficiaries' and as target groups. This perspective has positioned NGOs not as communicators or change agents but involves them mostly in the implementation of welfare schemes.